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INDEX AND SUMMARY OF H. R. 6754

June 3, 1963 House Appropriations Committee reported H. R. 6754. H. Report No. 375.

June 6, 1963 House passed H. R. 6754 with amendments.

LEGISLATIVE HISTORY

June 10, 1963 H. R. 6754 was referred to the Senate Agriculture Committee. Print of bill as referred.

Public Law 88-250 H. R. 6754

Aug. 23, 1963 Senate Subcommittee considered H. R. 6754.

Sept. 11, 1963 Senate subcommittee approved H. R. 6754.

Sept. 12, 1963 Senate Committee reported H. R. 6754 with amendments. S. Report No. 477.

Attached is copy of report on utilization research (S. Rep. 34, pursuant to S. Res. 442, 77th Cong.).

Sept. 13, 1963 Sen. Ballou submitted of his intention to amend the rules for the purpose of suspending an amendment to provide \$25 million for water traveling cost.

Sept. 16, 1963 Sen. Lammie submitted proposed amendment to increase interest rates on FSA loans.

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Sept. 18, 1963 Sen. Lammie submitted proposed amendment re FSA loans.

Sept. 20, 1963 Sen. Hatch submitted proposed amendment to extend certain conservation reserve contracts.

Sept. 22, 1963 Senate made H. R. 6754 unfinished business.

Sen. Javits submitted proposed amendment to prohibit use of Farmers Home Admin. loans in any State in which participants in such loans are segregated.

Sen. Lammie urged reduction in FSA loan authorizations.

Sept. 25, 1963 Senate made debate on H. R. 6754.

Sept. 26, 1963 Senate continued debate on H. R. 6754.

Sept. 30, 1963 Senate passed H. R. 6754 with amendments. Senate conferees were appointed.

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INDEX AND SUMMARY OF H. R. 6754

- June 3, 1963 House Appropriations Committee reported H. R. 6754. H. Report No. 355. ✓
- June 6, 1963 House passed H. R. 6754 with amendment.
- June 10, 1963 H. R. 6754 was referred to the Senate Appropriations Committee. Print of bill as referred.
- Aug. 23, 1963 Senate subcommittee considered H. R. 6754.
- Sept. 11, 1963 Senate subcommittee approved H. R. 6754.
- Sept. 12, 1963 Senate committee reported H. R. 6754 with amendments. S. Report No. 497. ✓
- ✓ Attached is copy of report on utilization research (S. Doc. 34, pursuant to S. Res. 415, 87th Cong.).
- Sept. 13, 1963 Sen. Holland submitted of his intention to suspend the rules for the purpose of proposing an amendment to provide \$25 million for rural housing loans.
- Sept. 16, 1963 Sen. Lausche submitted proposed amendment to increase interest rates on REA loans.
- Sept. 18, 1963 Sen. Lausche submitted proposed amendment re REA loans.
- Sept. 20, 1963 Sen. Mundt submitted proposed amendment to extend certain conservation reserve contracts.
- Sept. 24, 1963 Senate made H. R. 6754 unfinished business.
- Sen. Javits submitted proposed amendment to prohibit use of Farmers Home Admin. loans in any State in which participants in such loans are segregated.
- Sen. Lausche urged reduction in REA loan authorizations.
- Sept. 25, 1963 Senate began debate on H. R. 6754.
- Sept. 26, 1963 Senate continued debate on H. R. 6754.
- Sept. 30, 1963 Senate passed H. R. 6754 with amendments. Senate conferees were appointed.
- Print of bill as passed by Senate.

INDEX AND SUMMARY OF H. R. 6751

June 2, 1963	House Agricultural Committee reported H. R. 6751. H. Report No. 355.
June 6, 1963	House passed H. R. 6751 with amendments.
June 10, 1963	H. R. 6751 was referred to the Senate Agriculture Committee. Print of bill as reported.
June 23, 1963	Senate subcommittee considered H. R. 6751.
Sept. 11, 1963	Senate subcommittee approved H. R. 6751.
Sept. 12, 1963	Senate committee reported H. R. 6751 with amendments. S. Report No. 497.
	Attached is copy of report on legislative history of H. R. 6751, prepared by S. Rep. H. R. 6751 (S. Rep. No. 497).
Sept. 13, 1963	Sen. Holland submitted a bill in relation to authorizing the use of the proceeds of proposed new bonds to provide \$25 million for rural housing.
Sept. 15, 1963	Sen. Javits submitted proposed amendments to increase interest rates on REA loans.
Sept. 18, 1963	Sen. Javits submitted proposed amendments to REA loans.
Sept. 20, 1963	Sen. Javits submitted proposed amendments to extend certain conservation reserve contracts.
Sept. 24, 1963	Senate made H. R. 6751 unfinished business.
	Sen. Javits submitted proposed amendments to provide for use of Federal funds in the states in which participants in such loans are reported.
	Sen. Javits urged reduction in REA loan authorization.
Sept. 25, 1963	Senate began debate on H. R. 6751.
Sept. 26, 1963	Senate continued debate on H. R. 6751.
Sept. 30, 1963	Senate passed H. R. 6751 with amendments. Senate conference was appointed.
	Print of bill as passed by Senate.

INDEX AND SUMMARY OF H. R. 6754, continued

- Nov. 14, 1963 House conferees were appointed.
- Dec. 11, 1963 Conferees met on H. R. 6754.
- Dec. 21, 1963 Both Houses agreed to the conference report on
H. R. 6754.
- ✓ H. Report No. 1088. Print of report.
- Dec. 30, 1963 Approved: Public Law 88-250.

DEPARTMENT OF AGRICULTURE AND RELATED
AGENCIES APPROPRIATION BILL, 1964

JUNE 3, 1963.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. WHITTEN, from the Committee on Appropriations, submitted the
following

REPORT

[To accompany H.R. 6754]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for the Department of Agriculture and related agencies for the fiscal year 1964. The bill covers estimates contained in the 1964 budget, pages 89-182 and 834-837, and budget amendments contained in House Document 64, dated February 11, 1963, and House Document 81, dated March 12, 1963.

This bill provides funds for the general operations of the Department, including various activities such as research, disease and pest control, extension, soil and water conservation, marketing services, agricultural credit, crop insurance, the Commodity Credit Corporation, and foreign assistance programs.

The bill includes total appropriations of \$5,979,457,000 for these purposes in the coming year, a reduction of \$389,298,000 (6.1 percent) in the budget requests which totaled \$6,368,755,000.

A summary of the budget requests and amounts recommended by the committee follows. A detailed breakdown by individual appropriations appears at the end of the report.

Item	Budget request	Recommended in bill	Reduction
Title I—General activities.....	\$1,582,417,000	\$1,530,934,000	—\$51,483,000
Title II—Credit agencies.....	58,061,000	52,529,000	—5,532,000
Title III—Corporations.....	2,806,610,000	2,506,950,000	—299,660,000
Title IV—Foreign assistance.....	1,921,667,000	1,889,044,000	—32,623,000
Title V—Farm Credit Administration.....	(2,785,000)	(2,785,000)	-----
Total.....	6,368,755,000	5,979,457,000	—389,298,000

AMERICAN AGRICULTURE MOST PRODUCTIVE IN WORLD

American agriculture, 1963, is the most productive in the history of the world. Fortunately, most of our problems in the United States are due to abundance, rather than hunger or famine.

The ability of American farmers to produce food and fiber is apparent at the supermarkets, where city consumers can choose from thousands of safe, wholesome, and delicious foods—products of the farms of our 50 States. Using only about 20 percent of their income, American consumers can select foods with a knowledge of nutrition and balanced diets that makes this a nation of healthy and well-fed people. Most people in the world spend half or more of their available income on food, and in underdeveloped areas people spend most of their time grubbing a living from the earth.

If farmers today used 1940 methods, it would cost an extra \$13 billion a year to produce food and fiber for the Nation. This extra cost would be passed on to consumers, adding more than \$5 a week to each family's food bill.

American farm productivity, with its decreased manpower and its greatly increased equipment and investment, is borne out at the dinner table where 27 consumers share the bounty of a single farmworker. The average U.S. farmworker produces the food needs for 27 people. Today, only 8 of every 100 American workers are engaged in agriculture. The 92 others provide the goods and services of modern living—manufacturing cars, TV sets, and washing machines, running banks, selling insurance, building homes, fixing telephones, working in hospitals and hotels, and rendering other services, including our national defense.

It all adds up to a standard of living never before equaled in history—at a time when 63 percent of the governmental income goes for national defense and related activities.

FORCED AGRICULTURAL PRODUCTIVITY CREATES PROBLEMS

To maintain this high standard of living, and with increased costs for what the farmer must buy, increased agricultural productivity has been absolutely necessary. This has come at the cost of much greater investment per farm and a tremendous increase in risk.

The necessity to increase agricultural production to fully utilize machinery and equipment has made it necessary to expand the size of farming units, at high cost to the producer. The small family-size farm is gradually disappearing, largely because it cannot support high-cost machinery, supplies, or labor. The number of farm units has decreased from 6.4 million in 1940 to 3.7 million in 1962. In 22 years, nearly one-half have gone out of production. The American consumer today is almost entirely dependent on the commercial farm for his abundant supply of inexpensive food and fiber.

Larger farming units have made necessary the use of more expensive machinery, seed, fertilizers, and insecticides, with modern farming techniques. This has increased the investment necessary to farm by nearly 700 percent in the past decade, from an average of \$6,119 per farm in 1940 to \$47,632 in 1962.

This larger investment, together with the vagaries of weather and increased threats to crops and livestock from insects and diseases, has greatly increased the financial risk of the average farmer. The value

of investments in terms of current dollars has increased from about \$55 billion in 1940 to over \$200 billion in 1962. The farm debt during this period has increased from \$9.6 to \$25.8 billion. Half a century ago a farmer could survive as many as seven crop failures in a row. With the tremendous financial risks involved today, the loss of a single year's crop can result in bankruptcy for many farmers.

Further the price-cost squeeze on the farmer is becoming more acute each year. Farm prices have generally remained constant, but production costs have continued to rise. The small increase in retail food prices in recent years has been added on after the commodities have left the farm by those between the farmer and consumer. In the past 11 years the farmer's share of the retail food dollar has declined from 49 cents in 1951 to 38 cents in 1962. As a matter of fact, if the producers were to receive nothing for their raw materials, it is doubted that the retail price would decline significantly. It should be noted that the farmer receives only 3.1 cents from a 21.2-cent loaf of bread. The farmer's share of a \$4.24 cotton shirt is only 28 cents.

These factors make it clear that the agricultural producer must have price protection. This Nation, with laws permitting labor to organize, and guaranteeing minimum wages, with industry having the right and necessity to add markup above cost, must have price support for the producer of the raw material.

EXACT BALANCE IN SUPPLY AND DEMAND UNWISE

Most of the farm problems are due to high cost of what the farmer must buy, leading to increased units and the resulting surplus supplies of agricultural supplies on hand, which depress markets and require large amounts of money to produce and store. However, the worst possible thing that could be done to the 185 million American consumers would be to "balance supply and demand," by reducing supply and production to the point of forcing fair prices at the marketplace because there was barely enough to go around.

To cut production down to the point of scarcity would endanger the consuming public. Drought or flood or pestilence could make many go hungry, though in all likelihood it would bring the producer a much larger net income. These facts need to be recognized aside from any defense needs.

Another serious effect would be to encourage foreign countries to increase their agricultural production. The reports and hearings of this committee are full of facts to show that, as the United States has reduced production in recent years, foreign production has been increased to fill the gap—much of it with American financial aid and technical assistance.

Also, in the case of cotton there has been a large competitive growth in the use of synthetic fibers at home and abroad. In foreign countries, this has been due partly to efforts of those countries which do not produce cotton to become self-sufficient in raw materials. But further, this has resulted in part from curtailing U.S. cotton production and holding U.S. cotton off world markets at competitive prices.

At the urging of this committee, the Department has recently reentered world markets on a competitive basis in an effort to keep U.S. production up and to keep American farmers in business. In

order to protect our foreign markets, the Department should give further study to producing higher quality commodities. The tendency to stress quantity rather than quality has had a serious effect on the oversea demand for U.S. commodities. A wider range between "good and poor" quality in level of price supports might improve the situation.

It is to be noted that, unless production levels are maintained, additional farm units will of necessity go out of production, with increased unemployment problems in the cities as more rural people "move to town." How to keep adequate reserves to meet all domestic and export needs, plus a reserve for possible defense needs, without depressing market prices is one of the most serious problems facing American agriculture today. It is our belief such reserves should be insulated from the market and charged up to "Consumer security."

THE BUDGET FOR THE DEPARTMENT OF AGRICULTURE

When all is said and done, it requires only 5 to 6 percent of the Federal budget each year to operate all of the programs of the Department of Agriculture—meat inspection, disease and pest control, research and extension, protection of resources, price support, foreign assistance, and all the rest. This is only about one-twelfth of what the Nation is spending each year on defense, about the same as we spend on international affairs, and almost exactly the amount requested each year for research to send a man to the moon.

Only 1.5 percent is required to finance the regular operating programs of the Department, including research, marketing, extension, soil conservation, watershed protection, flood prevention, and other related activities. This averages about \$8 per person per year for the production, inspection, and marketing of the finest meats, vegetables, and other foods at the lowest cost to the consumer of any nation in history. Further, it helps to develop and maintain our national resources for unborn generations of the future. It also provides school lunches for our children and food for the needy.

An additional 2 percent is used to finance the various foreign assistance programs operated by the Department, including Public Law 480, the International Wheat Agreement, and bartered materials for the supplemental stockpile. The primary benefit of these programs is in the area of international affairs and foreign aid and, therefore, should not be charged to the farmer as a part of the cost of our agricultural programs.

Another 2 to 3 percent is used to finance the price-support program needed to protect the Nation's largest market for the goods and services of American industry. It is significant to note that over 50 percent of the funds expended for price-support programs go to transportation companies, warehouses, and other activities, rather than to the farmer.

As has been pointed out frequently by this committee, agriculture is the principal source of new wealth. It is the main provider of basic raw materials which support all segments of business and industry. Reliable estimates indicate that each dollar of wealth taken from the soil generates \$7 of income throughout the rest of our economy.

Agriculture is still our largest industry. It employs 12 times the number of people in the steel industry, 9 times the number in the automobile industry, twice the number in the transportation and public utility industries. In addition, it supports directly another 10 percent of nonfarm population which supplies the farmer with his needs and processes and markets his products.

Agriculture is the major market for the products of industry. It uses more steel in a year than is used for a year's output of passenger cars. It uses more petroleum products than any other industry in the country. It uses more rubber each year than is required to produce tires for 6 million automobiles. Its inventory of machinery exceeds the assets of the steel industry and is five times that of the automobile industry.

PERSONNEL REQUIREMENTS

Average annual employment in the Department of Agriculture (exclusive of the Forest Service which is no longer included in this bill) has increased from 47,793 in fiscal year 1954 to an estimated 65,457 in fiscal year 1963. This is a total increase of 17,664 man-years, nearly 37 percent.

It is inevitable that the Department of Agriculture, which serves to some extent every person in the Nation, will have a large number of employees. Recognizing the need to balance the budget and curtail personnel increases wherever possible, however, the committee has held funds for additional employees in this bill to an absolute minimum.

The committee notes that the Secretary has made some progress in the past year in reducing employment in selected areas. A reduction of over 500 employees has been made in the Agriculture Stabilization and Conservation Service as a result of the consolidation of several of the commodity offices and other organizational changes. In addition, several hundred positions have been eliminated as a result of the installation of a centralized data processing system for the preparation of payrolls and the processing of personnel data.

Funds to meet pay increases authorized last year have been reduced substantially, which will require further personnel reductions by not filling vacancies to absorb the amounts disallowed. Only 80 percent of amounts required for fiscal year 1964 was included in the budget request. Further, for the larger appropriations only 60 percent of the amounts in the budget have been included in the bill. For the agencies which are not large enough to absorb such a large cut, reductions have not been so severe.

The 1964 budget, as amended by House Document 81, would have provided a net increase of 1,201 man-years of employment for the appropriations in this bill. The committee has reduced this by 1,021 (85 percent) and has provided funds for a total net increase of only 180 man-years. The increases allowed are primarily for research, meat and poultry inspection, soil and water conservation, REA loan studies, FHA lending activities, and broadening of crop insurance coverage, as follows:

Agricultural Research Service:

Increases:

To staff research laboratories recently authorized by Congress and now ready for operation	+89
To extend research to meet increased threats from foot-and-mouth disease and African swine fever	+17
To expand research on peanuts, tobacco, cotton, corn, and wheat—basic storable commodities in surplus supply	+50
To provide additional plant and animal quarantine inspection at ports of entry due to increased traffic from abroad	+22
To increase the program for eradication of hog cholera authorized by Public Law 87-209 approved Sept. 6, 1961	+72
To provide additional meat inspectors to meet expanding inspection workload	+92
Annualization of prior year increases, principally for utilization research	+157
Total increases	+499

Decreases:

Savings due to installation of centralized data processing system for personnel and payroll data	-76
Reduction in eradication programs for the gypsy moth, screw-worm, etc	-182
Total decreases	-258

Net increase, Agricultural Research Service	+241
Federal Extension Service: Savings due to data processing system	-3

Soil Conservation Service:

Increases:

To staff 30 new districts to be established during coming fiscal year	+90
To increase soil and water conservation in existing districts	+131
To extend cooperative river basin surveys and investigations	+82
To carry out the new land conservation and utilization program authorized by the Food and Agricultural Act of 1962	+24
Total increases	+327

Decreases:

Savings due to data processing system	-44
Completion of projects and reduction in loan activities	-37
Total decreases	-81

Net increase, Soil Conservation Service (including watershed protection and flood prevention)	+246
Economic Research Service: Research on the European Common Market and other foreign agricultural trade problems	+10
Statistical Reporting Service: To extend the long-range program for improvement of crop and livestock estimates	+83

Agricultural Marketing Service:

To meet increasing volume of mandatory poultry inspection	+32
Annualization of prior year increases for poultry inspection, warehouse inspection, grain grading, and market news service	+52
Savings due to data processing system	-19

Net increase, Agricultural Marketing Service	+65
Foreign Agricultural Service: To expand market development work and give additional attention to the European Common Market and other international trade relations	+13
Commodity Exchange Authority: Savings due to data processing system	-1
Agriculture Stabilization and Conservation Service: Net reduction due to consolidations, organizational changes, and increased employee productivity	-736

Rural Areas Development: To strengthen coordination and administration of rural areas development program-----	+2
Office of General Counsel: Reduction in staff and savings due to data processing system-----	-13
Office of Information: Termination of centennial program and savings due to data processing system-----	-2
Library: To provide more service and information for scientific and research personnel-----	+20
Rural Electrification Administration: For surveys of REA cooperatives and studies of generation and transmission contracts-----	+15
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Farmers Home Administration:	
For additional workload of regular programs and for new programs assigned to the agency, including rural housing and housing for the elderly-----	+200
To initiate new rural renewal program-----	+20
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Total-----	+220
Federal Crop Insurance Corporation: To extend the crop insurance program to 100 new counties as contemplated in the long-range crop insurance program-----	+20
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Net total increase, USDA (exclusive of Forest Service)-----	+180

RURAL ELECTRIFICATION PROGRAM

The committee is proud of the record of the Rural Electrification Administration and what it has meant to and means not only to rural America but to all America today. We believe that one of the greatest achievements of the past 30 years has been the bringing of electrical energy to the rural areas. It has been a major factor in enabling the relatively few people on our farms to produce the food and fiber for our 185 million consumers. It has enabled this Nation to support large international and defense costs without reducing our general standard of living.

One of the most remarkable features of the program has been its repayment record. It is one in which everyone in the Nation can take pride. No bank or other leading institution in the country can boast of a better record. Of the \$4 billion advanced on REA loans, over \$1.1 billion has been repaid on principal, some of it in advance of due dates. As of February 28, 1963, only two borrowers were delinquent and they are expected to become solvent in the near future.

The committee is gratified to note that, pursuant to directives in reports of this committee, standards have been established by the Administrator for the control of financial reserves of the REA cooperatives. It is reported that the cooperatives are in full accord with this action and are cooperating to make it effective. This is a healthy and practical realization of the responsibility of these borrowers to the taxpayers of the Nation.

A majority of the members of the committee believe the right to make loans for power generation and transmission purposes, with funds available to implement such right, if necessary, is absolutely essential to enable REA cooperatives to obtain reasonable contracts from private power suppliers with regard to rates, terms, and conditions. However, a study of the REA Act and its history clearly shows it was never intended that this authority be used except for substantial reasons, and not merely to supplant private suppliers.

The committee had testimony from many witnesses on all sides of this issue. With regard to several loans it appears that satisfactory

concessions or modifications might have been secured from the private suppliers if real efforts had been made. With regard to others, reasons given for granting loans do not appear too substantial. On the other hand, the requirement of a dual rate by the private supplier, whereby a higher rate is charged for increased quantities of power for the purpose of cutting off prospective customers in areas served by co-ops, appears unjustified and is an invitation for electric cooperatives to seek generation and transmission loans.

In some instances, figures presented to the committee as to cost of power and other terms of contracts between some cooperatives and private companies differ somewhat. The committee has had no opportunity nor means to determine which may be correct. With regard to some contracts, the private suppliers seem to have offered little assurance of providing for increased future power needs of cooperatives on a firm basis or providing delivery points necessary to the economical operation of the cooperatives involved.

Before public funds are loaned for power generation or transmission, a majority of the committee believes the REA Administrator, in connection with any such loan, should make a survey, determine wherein the existing contract for power or the proposed contract is unreasonable, advise the supplier wherein such contract is unreasonable and attempt to get such contract modified to make it reasonable. Loans should be made only when reasonable contracts cannot be obtained.

With regard to any further generation and transmission loan approved, the Administrator should certify to the Secretary of Agriculture that each of these steps has been taken and that the private supplier had been given an opportunity to make the contract reasonable, specifying the details, and had refused or failed to do so.

The committee believes the Administrator has the obligation to make certain that section 5 loans are handled on a sound basis. The REA Act provides that loans under section 5 shall not be made unless the Administrator finds and certifies that in his judgment the security therefor is reasonably adequate and such loan will be paid within the time agreed:

It is the opinion of the majority of the members of the committee that the Congress in providing for section 5 loans intended also that they should not be made where local private business can meet the need or where it is determined that the local borrower will provide unnecessary competition. The Administrator should also certify to the Secretary as to the necessity for section 5 loans.

In view of the foregoing facts, the committee has placed \$150 million of the electrification loan authorization in the contingency reserve, instead of the \$75 million requested. The contingency authorizations can be released only after a further showing to the Bureau of the Budget that the program is being handled on a satisfactory basis and there is a substantial need for the additional funds. This should enable the Administration to meet its obligations, if the recommendations of the committee are followed.

The committee has provided funds for additional employees for the coming year under the REA administrative appropriation to implement the surveys, audits, and supervision called for in these areas.

AGRICULTURAL RESEARCH

As in the past, the committee has had numerous requests for additional appropriations for the various activities of the Department. Some 250 witnesses appeared before the committee this year, many of them requesting additional attention to problems in research. Most of these requests are for work within the present research responsibilities of the Department.

The committee has allowed some increases where the large investments and costs to the Federal Government justify some extra attention. In addition, we have again provided the \$1 million special contingency funds to meet needs not specifically appropriated for. The committee, therefore directs the Department to give attention to these additional needs as reflected in these requests in the use of the funds provided in the bill. The usual requests for increases are generally by their nature the type to which present personnel, funds and facilities should be directed.

It should be noted that the following amounts are being spent for research on certain of the major commodities in fiscal year 1963: \$5.2 million for corn; \$1.1 million for peanuts; \$722,000 for rice; \$2.3 million for tobacco; \$11.7 million for cotton; and \$5.8 million for wheat. In addition, all of the other research work of the Department is of benefit to these commodities in varying degrees.

For years the committee has recognized the absolute necessity for continuing research in agriculture on all of these commodities. The committee has realized that it takes research facilities, personnel, and funds to meet these needs. However, in recent years it has appeared that many requests for increases in funds and facilities have not been based on a thorough knowledge of what the Department already has in the way of facilities and what research is now being done.

The committee believes strongly in agricultural research, the backbone of which is the cooperative programs carried on with the land-grant colleges. The Department of Agriculture and the land-grant colleges have excellent research organizations, and this committee is proud of their many outstanding accomplishments. The committee has supported the research programs of these agencies as fully as possible through the years. Total research funds for the various agencies of the Department, including the agriculture experiment stations, have increased from approximately \$43 million in fiscal year 1949 to over \$174 million in fiscal year 1963—an increase of over 300 percent.

The committee recognizes that American agriculture would not be in business today if it were not for the benefits of the Department's research in reducing cost of production, and improving the quality and increasing the efficiency of handling and marketing of agricultural crops. It would be impossible for the economy of the Nation to support large international and defense costs each year, and at the same time maintain our high standard of living, were it not for the remarkable record of agriculture and agricultural research.

When this country was young, 90 percent of the people lived on the farm. Most of them had to produce their own food and fiber with the plow and the hoe. Today, about 10 percent of our people live in rural areas with less than 4 percent working in the fields to feed our entire population. This remarkable accomplishment is due in large part to the fine work of the research agencies of the Department and the land-grant colleges.

It must be recognized, however, that additional funds for expanded research programs each year is not the complete answer to the problems of agriculture. Research must fit into the present system of agriculture and must be held within reasonable fiscal limits. Increased research results must depend on the quality of research rather than the quantity of research. It must be carefully geared to the needs of the agriculture producer and the industrial user.

Agriculture research should be expanded only where present personnel and facilities cannot be shifted to meet the new research needs. Further, it should be expanded gradually on a sound basis and only to the extent that well-qualified research scientists are available. The committee is aware of the keen competition for well-trained scientists from all branches of the Government and industry and knows of the difficult problem the Department of Agriculture faces in finding the caliber of people needed to maintain the high quality of research results required of it.

NEW LABORATORY APPROACH, A SLOW PROCESS

It must be realized that a new laboratory approach to pressing research problems means on the average at least 5 years before any valuable results can be obtained, and then usually from experienced personnel transferred from other locations.

The Agricultural Research Service now conducts research at some 228 locations in the United States. In addition the agricultural marketing research program is carried on at 45 locations throughout the United States. These 273 facilities have all made and are making valuable contributions to research. They should be able to meet future research needs by redirecting present personnel and facilities, with expansion where necessary.

Also, it must be kept in mind that the backbone of research is and should be cooperative research carried on with the land-grant colleges. The Federal Government should not weaken this cooperative approach by establishing too many Federal laboratories.

Therefore, it is the belief of this committee that the most urgent needs for additional research in the future should be met as follows:

- (1) By merging them into present research work at existing locations with existing funds and personnel.
- (2) By contract or grant to an established research organization with qualified personnel already available.
- (3) By expanding cooperative research programs with the land-grant colleges and other research institutions and organizations, with some arrangement for matching contributions.
- (4) By enlarging research activities at existing establishments as may be required, but only after the above approaches have been determined to be impracticable.

This should be the formula to guide the Congress and the Department in evaluating future research needs and considering funds for the establishment of additional research facilities. Only in this way can the Federal Government meet the needs of research in a truly expeditious manner within reasonable fiscal limits.

Since the last session of Congress, the committee has conducted a special review of the research programs and facilities of the Department, particularly with regard to certain phases of research. The purpose of this survey is to bring together in one document a detailed description of the research programs now in existence in the Depart-

ment, to show the many research locations throughout the country where work is now being carried on, and to indicate the amount of money being expended for such research.

From this report it would appear that many demands each year for new research laboratories or new and expanded research projects, most of which would require funds above the budget, could be and should be met with existing facilities, and to a large degree with existing personnel and funds. (The committee report will be found in pt. 4 of this year's hearing, beginning on p. 2892.)

In order to help meet some of the more immediate and pressing problems of the various segments of agriculture, the committee has taken the following actions with respect to the production and marketing research work of the Department in the accompanying appropriation bill for fiscal year 1964:

(1) Funds for marketing research have been consolidated with funds for the research activities of the Agriculture Research Service. It is virtually impossible to conduct the activities of these two areas of research separately. It is believed that more efficient research can be carried on through closer coordination.

(2) Authority has been included in the bill to transfer not to exceed \$5 million from the Commodity Credit Corporation to be used for contracts and grants to meet acute needs for research to reduce the necessity for the Corporation to invest in and take title to large quantities of agricultural commodities. This approach should enable the Department to move ahead immediately where services of trained and experienced scientists not available for regular Federal employment can be obtained, instead of waiting 5 years under the "new laboratory" approach with permanent personnel. Such research will be concerned primarily with those commodities in which the Commodity Credit Corporation has a large investment, including cotton, corn, and wheat and should be of real benefit to the operations of the Corporation.

(3) To meet the need for additional quality research on peanuts, an additional \$200,000 has been provided for use at the New Orleans Utilization Laboratory. The committee has also provided \$400,000 for the establishment of a peanut research laboratory to house peanut shelling work at Dawson and if desirable to bring together peanut research now being conducted at various locations in Georgia.

(4) To meet the more pressing problems of tobacco, \$400,000 has been included in the bill for additional research at existing facilities on Flue-cured and burley tobaccos. Also, \$200,000 each has been provided for additional research at existing facilities on cotton, corn, and wheat—the commodities which now make up the major portion of Commodity Credit Corporation inventories.

(5) Authority has been provided to enable the Department to accept funds from the States and private industry to carry out research programs on a cooperative basis. This language will enable agricultural groups to meet their most urgent research needs and to play a part in their solution in cooperation with the Department of Agriculture in line with what now is done in forestry research.

PROGRAM SUPPORT COSTS

The committee has received frequent complaints to the effect that sizable portions of funds provided for specific research projects do not reach the point where the research work is conducted. A preliminary

review of this matter indicates that in some cases as much as 20 percent or more of the funds provided by Congress are deducted in Washington or some other administrative level for so-called program support purposes before the balance is finally allocated to the field locations.

The committee expects to make a full study of this matter during the coming year to determine the facts and recommend reasonable standards for such overhead deductions. In the meantime, each agency of the Department is expected to review its practices and make whatever adjustments may be needed. In order to hold program support costs to present levels, the committee directs that none of the additional funds provided in this bill are to be used for administrative or support purposes in Washington or any other location, unless specifically approved in this bill. Further, the committee feels that absorption required to meet pay increases and other expanded needs should come largely from the program support area, rather than from program operations.

CITRUS PURCHASES AND TOBACCO SALES

The committee developed a complete record on the handling of orange juice purchases under section 32 and the sale of tobacco at a fixed price under the Commodity Credit Corporation

Contracts were made to purchase 383,485 cases of concentrated orange juice from five suppliers on November 13, 1962, at a price ranging from \$4.57 to \$4.74 per case. Immediately thereafter, a severe freeze occurred in the citrus area and the price of citrus products increased substantially. At the request of the suppliers the contracts were canceled and the juice was returned at the original purchase price, despite the fact that the market price in the meantime had increased to around \$10 per case. Information from three of the five suppliers indicates that they then sold quantities of this juice at prices ranging from \$8.45 per case to \$13 per case.

It is to be noted that the juice turned back was from the preceding year's production, was in existence, and final contracts for delivery has been entered into. Therefore, the suppliers were being called on to furnish citrus juice actually in existence and were not dependent on the next year's production to make the deliveries. It should also be noted that the armed services were required to pay \$13.50 per case for citrus juice required for their purposes, at this same time. In the opinion of a majority of the members of the committee, this type of transaction is not sound and fails to protect the financial interests of the Government.

On February 11, 1963, the Department announced the sale of Flue-cured tobacco from the 1955 and 1956 crops. This tobacco was offered at a fixed price of around 36 cents per pound, which was considerably under the regular market price of tobacco at that time. An immediate run developed and the Department sold between 60 and 70 million pounds of tobacco during the first few hours of the sale. As a matter of fact some would-be buyers claim that they were unable to participate in the sales program due to demand.

It appears to a majority of the committee that, if tobacco had been sold on a competitive bid basis rather than a fixed price basis, the Government would have benefited greatly. We point out, too, that some serious questions arise as to the effect on new crops of tobacco.

TITLE I—GENERAL ACTIVITIES

AGRICULTURAL RESEARCH SERVICE

The Agricultural Research Service was established by the Secretary of Agriculture on November 2, 1953, under the authority of the Reorganization Act of 1949 (5 U.S.C. 133z-15), the Reorganization Plan No. 2 of 1953, and other authorities. It conducts farm, utilization, nutrition, and consumer use research, plant and animal disease and pest control and eradication activities, and operates the meat inspection service. The Administrator of this Service is also responsible for the coordination of all research of the Department. The Service also carries out emergency programs, when necessary, for the control and eradication of animal diseases, such as foot-and-mouth disease, and for the control of emergency outbreaks of insects and diseases.

Marketing research, the funds for which are merged with this appropriation, is directed toward the development of answers to problems encountered in moving agricultural products from the farm to the consumer, such as improved product quality, and improved equipment and facilities.

Salaries and expenses.—The committee recommends \$181,588,000 for fiscal year 1964, an increase of \$3,130,645 over appropriations for fiscal year 1963 and a reduction in the budget request of \$9,225,675. This will provide for 241 additional man-years of employment, as discussed earlier in this report.

For research, the bill carries a total of \$94,445,000 for fiscal year 1964, including \$4,950,000 for marketing research. The amount recommended is a net increase of \$1,399,775 over fiscal year 1963 and a net reduction of \$2,718,675 in the budget request. The net increase includes \$1,200,000 to staff new research laboratories which have been authorized in previous years and are now ready for operation, \$200,000 for expanded research to develop better protection against the introduction into the United States of foot-and-mouth disease and African swine fever, both of which are becoming increasing threats to the United States as a result of increased foreign travel and the increased speed of transportation, and \$1,327,775 to finance 60 percent of the Pay Act increases for 1964. These increases are more than offset by decreases of \$2,928,000 due to nonrecurring construction costs and savings resulting from the new data processing system.

The amount recommended also includes \$1,600,000 to meet the research needs of certain major commodities which have acute production and marketing problems and in which the Commodity Credit Corporation has a large investment. As discussed earlier in this report, this fund is to be used for the following purposes:

(1) Two hundred thousand dollars for peanut research on quality at the New Orleans laboratory in conjunction with quality-utilization research.

(2) Four hundred thousand dollars for the establishment of a research facility in Georgia to be used to house the peanut shelling research work now underway at Dawson and to bring together the peanut research on production and marketing now being conducted at various locations in Georgia, if desirable.

(3) Four hundred thousand dollars for additional research on the problems of tobacco, \$200,000 to be used at existing facilities in North Carolina doing research on Flue-cured tobacco, and \$200,000 to be used at existing facilities for research on burley and dark tobaccos.

(4) Two hundred thousand dollars to be used for additional research at existing facilities on corn and other grains.

(5) Two hundred thousand dollars to be used for additional research at existing facilities on wheat and wheat products.

(6) Two hundred thousand dollars to be used for additional research at existing facilities on cotton. A small portion of this fund should be used to determine the most urgent needs for ginning research.

It should be noted that over 50 percent of the Commodity Credit Corporation inventories as of February 28, 1963, consisted of corn, cotton, and wheat, as follows:

	<i>Million</i>
Corn.....	\$1, 049
Cotton (upland).....	810
Wheat.....	1, 998
Total.....	3, 857

In addition, authority has been provided for the transfer of up to \$5 million from the Commodity Credit Corporation to be used as hereinbefore set out for research by contracts and grants to reduce production costs and increase consumption and thereby lessen the necessity for the Corporation to invest in and take title to large quantities of agricultural commodities.

The committee also has included language under this appropriation which will enable the Agricultural Research Service to accept funds from States and private industry to carry out cooperative research programs of mutual benefit. Similar authority provided for the Forest Service some years ago has been very useful in forestry research. It is expected that research problems in other phases of agriculture can be approached on a similar cooperative basis under this arrangement. Additional research on horticultural products is an example of the type of industry which might benefit considerably from such cooperative research contracts. Also, additional cooperative research on transportation problems of citrus is needed.

Attention has been called to the Department's proposal to close several small soil and water conservation research stations in Nebraska. In view of the need for continued research in this area, the Department is requested to keep these facilities in operation, pending further review.

The 1963 appropriation of \$59,505,000 has again been provided for plant and animal disease and pest control. This is a reduction of \$5,643,000 in the budget request. Budget reductions of \$1,919,000 resulting from savings in the fire ant, gypsy moth, and screw-worm eradication programs, nonrecurring construction requirements, and the new data processing system, have been reallocated for other purposes proposed in the budget. In this connection, attention is directed to the recent outbreak of fire ants along the lower Mississippi River. It is understood that the reduction of funds proposed for the fire ant program is due to a new bait and improved methods of treatment and will permit continued treatment where necessary to prevent further spread of the infestation.

The \$1,919,000 will be redirected to provide increases of \$161,000 for plant quarantine inspection at 30 major ports of entry, \$86,500 for animal inspection and quarantine at 14 major ports of entry,

\$796,000 for expansion of the hog cholera eradication program, and \$875,500 to cover 60 percent of the 1964 pay increases.

In fiscal year 1962, a record total of 173 million persons entered the United States by sea, air and border crossings, bringing with them 23.5 million pieces of baggage. In addition, the number of aircraft arriving from overseas increased by approximately 8,000 over 1961. Many of these are large jet aircraft which make it possible for infested and infected plant materials to reach this country from any part of the world within a few hours. Destructive foreign pests and diseases capable of attacking virtually every major crop grown in the United States are being intercepted regularly at ports of entry. In fiscal year 1962, plant quarantine inspectors made a total of 33,033 pest interceptions—an average of more than 90 each day.

A new pest known as the "cereal leaf beetle" has recently appeared in Michigan and Indiana and is doing a great deal of damage to small grains in those States. Department witnesses indicate that they are not certain as to how it entered the country. With a release from the contingency research fund the Department has negotiated a research contract with Michigan State University. Also, the infested areas are under State quarantine and the Department has a control program underway in cooperation with the two States.

On September 6, 1961, Public Law 87-209 was approved authorizing and directing the Department to initiate a national cooperative hog cholera eradication program. The Secretary appointed an 11-member National Hog Cholera Advisory Committee to assist in the development of a program, and steps were undertaken by the Department to develop plans and procedures necessary for the eradication program. Developmental activities in fiscal year 1962 cost \$96,639. For fiscal year 1963, Congress appropriated \$2 million for the program. The amount provided in this bill will increase the program to nearly \$3 million for the coming year. This is a relatively new program and the Advisory Committee should be fully utilized.

Several requests were made this year for increased attention to the eradication of sheep scabies. Additional funds have not been provided in the bill, since over \$550,000 is already available for this work and the Administrator can supplement this amount from other sources if he finds it necessary. In the opinion of those who testified on this subject before the committee, the Department should consider requiring mandatory dipping of all sheep transported in interstate commerce in order to control scabies.

The committee continues to receive communications indicating that many range cattle producers feel that the best approach to brucellosis control is vaccination before the disease strikes rather than test and slaughter after the disease has taken its toll. The Department is requested to restudy this question for further consideration at next year's hearing.

The committee is pleased to learn that the State of Florida has established a laboratory and has proceeded on measures for dog-fly control. The Department of Agriculture is urged to cooperate closely in this program.

On February 1, 1963, the committee held extensive hearings on the proposed amendment to nursery stock, plant, and seeds quarantine No. 37. A special record of these hearings has been made public. It shows the great damage which has been done to the agricultural crops of the United States by pests introduced into this country since its

origin. It further shows the potential threat to U.S. agriculture from foreign pests that have not yet gained entry into this country. The majority of the committee, and it is believed the majority of the Congress, feels strongly that the proposed change in regulations should not be issued in view of the evidence appearing in the hearing record. The committee then and now calls on the Department to leave present regulations as they are.

For meat inspection an appropriation of \$27,638,000 is recommended for the coming year. This is an increase of \$1,730,850 over fiscal year 1963 and a reduction of \$864,000 in the budget request. This increase will cover 60 percent of 1964 pay increases and will provide for 92 additional meat inspectors to meet the increased meat inspection workload made necessary by the steady increase in the number of packing plants and increasing dispersion of these plants throughout the country.

The cost of this program has increased from \$9 million in 1947 to \$27.6 million in this bill, an increase of over 200 percent. This inspection is of primary value to the consumer. Although this activity has grown up under the Agricultural Research Service, the Department should consider moving it to the Agricultural Marketing Service, since it is clearly related to marketing rather than to research. This would lead to closer coordination with poultry inspection and some monetary savings.

Special foreign currency program.—Oversea research carried out under sections 104(a) and 104(k) of Public Law 480 is financed by foreign currencies in amounts authorized in the annual appropriation bill. It supplements and complements research financed by regular appropriations. Such research is not intended to duplicate or displace other research conducted by the Department or its cooperators.

No additional appropriations are recommended for fiscal year 1964, since it has been indicated that a balance of \$13.5 million will be available next year from prior year unused balances.

COOPERATIVE STATE EXPERIMENT STATION SERVICE

The Cooperative State Experiment Station Service was established by Secretary's Memorandum No. 1462 dated July 19, 1961, and Supplement 1, dated August 30, 1961, under Reorganization Plan No. 2 of 1953. The service carries out (1) administration of the Agricultural Experiment Stations Act of August 11, 1955, (Hatch Act of 1887, as amended, 7 U.S.C. 361a-361i); (2) payments under Section 204(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623) to State agricultural experiment stations; and (3) grants to nonprofit institutions for support of basic scientific research under the act approved September 6, 1958 (42 U.S.C. 1891-1893).

The full budget estimate of \$40,383,000 is provided for this program for fiscal year 1964. The increase of \$2,120,050 over fiscal year 1963 includes \$1 million to meet the increasing costs of research, \$1 million to initiate a program of grants for forestry research, pursuant to Public Law 87-788, approved October 10, 1962, and \$120,050 to meet increased pay and postal costs. No increase in Federal employment is involved.

The land-grant colleges are the basic agricultural centers and their cooperative agricultural research is highly essential. In addition, they are doing research for the Department of Defense, Atomic Energy Commission, Department of Health, Education, and Welfare,

and others, through grants and contracts totaling \$15.5 million in fiscal year 1962 and over \$16.5 million in fiscal year 1963. The committee believes that these extra activities should not be allowed to adversely affect their regular agricultural research work. The committee requests that full information showing amounts of such grants and contracts to the State experiment stations and the purposes of the research be presented each year in as much detail as possible as a part of the supporting material for the regular annual Federal appropriations.

EXTENSION SERVICE

Cooperative agricultural extension work was established by the act of May 8, 1914, as amended by the act of June 26, 1953 (7 U.S.C. 341-348), and the act of August 11, 1955 (7 U.S.C. 347a). The legislation authorizes the Department of Agriculture to give, through the land-grant colleges, instruction and practical demonstrations in agriculture and home economics and related subjects and to encourage the application of such information by means of demonstrations, publications, and otherwise to persons not attending or resident in the colleges. Extension educational work is also authorized under the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627).

State and county extension work is financed from Federal, State, county, and local sources. These funds are used within the States for the employment of county agents, home demonstration agents, 4-H Club agents, State specialists, and others who conduct the joint educational programs adopted to local problems and conditions.

Payments to States and Puerto Rico.—The committee recommends the full budget request of \$64,590,000 for the coming fiscal year. This is an increase of \$1,409,200 over funds which will be expended for this purpose in fiscal year 1963.

The committee again recommends that these funds be used primarily to maintain competitive salary levels for county agents and home demonstration workers in order to attract well-trained and highly qualified personnel to this program. No increase in Federal personnel is covered by this appropriation.

Retirement costs for extension agents.—The bill carries the full budget estimate of \$7,110,000 for fiscal year 1964. The increase of \$345,000 over fiscal year 1963 is provided to cover the Federal share of retirement costs for the increased funds allowed under the previous heading for salaries of State and county personnel.

Penalty mail.—An appropriation of \$3,113,000 is provided for fiscal year 1964, an increase of \$311,750 over fiscal year 1963. This item covers penalty mail costs of State extension directors and county extension workers, as authorized by law. The increase is due to the increase in postal rates adopted by Congress last year.

Federal Extension Service.—The Federal Extension Service provides for leadership, counsel and assistance to the 50 States and Puerto Rico. As of February 28, 1963, there were 248 full time Federal Extension Service employees, of whom 238 were headquartered in Washington.

The committee recommends an appropriation of \$2,500,000 for the coming fiscal year, a decrease of \$97,450 below the 1963 appropriation, and a decrease of \$15,000 in the budget estimate. The decrease is due to a small reduction in funds requested to meet pay increases in fiscal year 1964.

FARMER COOPERATIVE SERVICE

The Farmer Cooperative Service was established following the enactment of the Farm Credit Act of 1953 (Public Law 202, Aug. 6, 1953), which transferred the research and technical assistance work for farmers' marketing, purchasing, and service cooperatives, under the Cooperative Marketing Act of 1926 from the Farm Credit Administration to the Secretary of Agriculture.

The Service conducts research, advisory, and educational work with cooperatives on problems of organization, financing, management policies, merchandising, costs, efficiency, and membership to help farmers who are members of such organizations improve the operations of their businesses. It cooperates with the Extension Service, land-grant colleges, banks for cooperatives, State departments of agriculture, and other agencies to bring about better understanding and application of sound cooperative principles and practices. It also advises other Federal agencies on problems relating to agricultural cooperatives.

The sum of \$1,195,000 is provided for fiscal year 1964, an increase of \$39,100 over fiscal year 1963 and a decrease of \$85,000 in the budget estimate. The increase allowed will finance approximately 90 percent of the pay increase costs required for this organization in the coming year.

The appropriation for fiscal year 1964 includes \$452,000 for conducting research relating to the economic and marketing aspects of farmer cooperatives, as authorized by the Agricultural Marketing Act of 1946. In the past, this research has been financed by advances from the Agriculture Marketing Service and the Economic Research Service. For the coming year these funds are appropriated directly to this Service and the funds for the other two agencies have been reduced accordingly.

SOIL CONSERVATION SERVICE

The Soil Conservation Service was established by the act of April 27, 1935 (16 U.S.C. 590a-590f). It assists soil conservation districts and other cooperators, watershed groups, and Federal and State agencies having related responsibilities in bringing about physical adjustments in land use that will conserve soil and water resources, provide for agricultural production on a sustained basis, and reduce damage by floods and sedimentation. Its major programs are as follows:

Conservation operations: The Service provides technical help to farmers and ranchers in the 50 States, Puerto Rico, and the Virgin Islands in carrying out locally adapted soil and water conservation programs. As of June 30, 1962, farmers and ranchers had organized 2,929 conservation districts.

Watershed protection: The Service has general responsibility for administration of the watershed protection program of the Department, established by Public Law 566, 83d Congress, and the development of its guiding principles and procedures.

Flood prevention: The Service has general responsibility for administration of the flood prevention program, and the development of the Department's guiding principles and procedures.

The program is conducted in the 11 major watersheds authorized by the Flood Control Act of 1944.

Great Plains conservation: The Service has general responsibility for administration of the Great Plains conservation program, authorized by Public Law 1021, 84th Congress. This program provides for long-term cost sharing under contracts with farmers and ranchers in designated counties of the 10 Great Plains States.

Resource conservation and development activities: The Service has general responsibility under provisions of section 102, title I of the Food and Agriculture Act of 1962, for developing overall work plans for resource conservation and development projects in cooperation with local sponsors; to help develop local programs of land conservation and utilization; to assist local groups and individuals in carrying out such plans and programs; to conduct surveys and investigations relating to the conditions and factors affecting such work on private lands; and to make loans to project sponsors for conservation and development purposes and to individual operators for establishing soil and water conservation practices.

Conservation operations.—Soil conservation assistance is being provided for an increasing number of soil conservation districts each year. As of June 30, 1962, 2,929 districts were in existence. This number will increase to an estimated 2,952 by June 30, 1963, and a estimated 2,982 by June 30, 1964.

The committee recommends an appropriation of \$97,480,000 for the next fiscal year, an increase of \$3,504,500 over fiscal year 1963 and a decrease of \$1,973,000 in the budget request. The net increase includes \$825,000 for technical assistance to the 30 new districts expected to be organized during the coming fiscal year and \$1,072,500 to increase soil conservation work in existing districts. In addition, it provides \$40,000 to meet higher postal costs approved last year and \$1,849,000 to finance 60 percent of the pay-increase costs required by this program next year. Offsetting savings of \$282,000 will be made during the coming year by the installation of the new data processing operations. The funds approved will provide a net increase of 189 man-years for the program next year.

Watershed protection.—The bill carries a total of \$63,222,000 for fiscal year 1964, an increase of \$1,845,650 over fiscal year 1963 and a decrease of \$770,000 in the budget estimate.

The amount recommended includes an additional \$1 million to expand cooperative basin surveys. This will provide a total of \$3,042,900 for this purpose for the coming year, which will enable the Department to initiate 8 additional surveys in fiscal year 1964, to continue 10 surveys initiated in fiscal year 1963 on a full-year basis, and to continue 6 surveys initiated prior to fiscal year 1963. Fourteen of the surveys will be carried out in cooperation with the Corps of Engineers and 10 will be in cooperation with State water resource agencies. In this connection, the committee feels that additional efforts should be made by the Soil Conservation Service to coordinate its studies with the Corps of Engineers, the Department of the Interior, and other interested agencies. Further efforts are required to get agreement on and clearly define the areas of jurisdiction of these various agencies, in order to prevent unnecessary duplication in this work.

In addition to the increase outlined above, an additional \$18,000 is recommended to meet increased postage costs, an additional \$415,600 is proposed to finance 60 percent of the pay act increases required during the coming year, and \$412,050 additional is provided for watershed planning and works of improvement.

A total of 1,702 watershed applications have been received from the inception of the program through June 30, 1962. Of these, no planning has been initiated on 683 which are expected to be suitable and qualified for assistance. It is estimated that an additional 450 applications will be received during fiscal years 1963 and 1964 of which 250 will be approved for planning.

The 1964 budget proposes \$5,892,000 for small watershed investigations and planning, the same amount as provided for fiscal year 1963, plus pay act increases. While no specific increase has been provided for this purpose in the bill for 1964, the Department is expected to transfer funds from watershed improvement work in whatever amounts may be necessary to proceed on all applications which are qualified and approved for watershed planning during the coming year.

The 1964 budget states that it is proposed to start 36 new watershed projects during the coming year. The committee does not feel that any numerical restriction of this type should be placed on watershed projects. It recommends that the Department start new projects to the fullest extent possible within funds available.

Flood prevention.—An appropriation of \$25,465,000 is recommended for the program for the coming fiscal year. This is an increase of \$139,150 over fiscal year 1963 and a decrease of \$111,000 in the budget estimate. This decrease results from the allowance of only 60 percent of the Pay Act increases required by this program next year.

The progress on most of the 11 major watersheds financed by this appropriation is still far behind the original schedule established in 1944. At that time it was estimated that these projects would be completed in some 15 years. Work on the Buffalo Creek watershed project in New York is now estimated to be completed in 1964. However, the remaining 10 projects will still require many more years to complete, even though it is nearly 20 years since the program was originally established. Now that local sponsors are meeting their responsibilities at increasing rates, the Department is urged to make every effort to speed up the completion of this work. Constantly increasing construction costs and salary increases, and the need for the flood protection these projects will provide, make it essential that these projects be completed at the earliest possible date.

While no increase in permanent personnel has been provided for this program, the Department should use its authority to employ temporary personnel to the fullest extent necessary to speed up the planning and installation work on these projects.

Great Plains conservation program.—The bill includes \$12,994,000 for fiscal year 1964, a net increase of \$640,450 over fiscal year 1964, and a decrease of \$1,646,000 in the budget estimate. The increase will provide an additional \$586,000 for some 170 additional cost-sharing assistance contracts with the additional farmers and ranchers who wish to come into this program during the coming year. In addition, the increase provides \$62,450 for 60 percent of the Pay Act increases required by the program next year. These are partially

offset by a decrease of \$8,000 due to the new data processing system. No increase in personnel is authorized.

Resources conservation and development.—This new program, which was authorized by section 102 of the Food and Agriculture Act of 1962 (Public Law 87-703), provides for technical assistance in planning and carrying out land conservation and land utilization projects in selected areas. Although the Soil Conservation Service is responsible for administering the work of this program, it is carried on cooperatively with other Federal agencies and departments, State and local agencies, and sponsoring organizations. Other agencies of the Department of Agriculture will share in the work of these projects in accordance with their regularly assigned functions. Governing bodies of soil conservation districts, in cooperation with other interested committees or groups, are expected to provide local project sponsorship. These projects will usually be in areas where acceleration of conservation activities is required to provide additional economic opportunities to the residents of a single district, or parts of several adjoining districts, or other geographic planning units within a land resource area.

An appropriation of \$1,200,000 is proposed to initiate this program during the coming fiscal year, a decrease of \$5,075,000 in the budget request. The amount provided includes \$200,000 to assist in formulating local plans and programs, \$500,000 for technical assistance in installing works of improvement on approved projects in selected areas, and \$500,000 to provide long-term loans to sponsoring organizations where needed to install conservation practices and works of improvement on approved projects. It is estimated that 24 additional man-years of employment will be required to carry out this program at the level approved for the next year.

ECONOMIC RESEARCH SERVICE

The Economic Research Service was established by Secretary's Memorandum No. 1446, Supplement No. 1, of April 3, 1961, under Reorganization Plan No. 2 of 1953, and other authorities. The Service develops and carries out a program of economic research designed to benefit farmers and the general public. The findings of this research are made available to farmers and others through research reports and through economic outlook and situation reports on major commodities, the national economy, and the international economy.

An appropriation of \$9,832,000 is recommended for the next fiscal year, a net increase of \$320,850 over fiscal year 1963 and a decrease of \$469,000 in the budget estimate. The increase includes an additional \$17,000 to meet increased postal costs, \$201,850 to cover 60 percent of the Pay Act increases required for the coming year, and \$110,000 for the employment of 10 additional people for research on foreign trade expansion and problems related to the Common Market. These increases are partially offset by a reduction of \$8,000 due to the new data processing system.

Foreign supply and demand studies are underway in 19 countries that are important or potential export markets. Studies are needed in additional countries and further analysis is needed of major changes in the demand for U.S. agricultural commodities in all of the areas of the world.

STATISTICAL REPORTING SERVICE

The Statistical Reporting Service was established by Secretary's Memorandum No. 1446, Supplement 1, of April 3, 1961, under Reorganization Plan No. 2 of 1953, and other authorities. The Service was created to give coordinated leadership to the statistical reporting research and service programs of the Department. It provides a channel for the orderly flow of statistical intelligence about the agricultural economy of this country. The primary responsibilities of this Service are the nationwide crop and livestock estimates, coordination and improvement in the Department's statistical requirements, and special surveys of market potentials for agricultural products.

The committee recommends an appropriation of \$11,079,000, a net increase of \$1,057,150 over the 1963 appropriation and a decrease of \$473,000 in the budget estimate. The increase includes \$75,000 to meet increased postal costs, \$150,150 to provide 60 percent of the pay increases for the coming year, \$80,000 to reimburse Post Office Department for handling of rural mail surveys previously handled on a nonreimbursable basis, and \$760,000 to continue the long-range program for improvement of the crop and livestock estimates. These are partially offset by a decrease of \$8,000 due to the new data processing system.

The increase of \$760,000 is the fourth increment of the long-range improvement program started in fiscal year 1961. It will be used to place the 11 Western States, currently on a pilot basis, on a full operating basis, which will provide a full program of enumerative surveys in 35 States and will permit placing 12 Northeastern States and Florida on a pilot basis. This will give coverage for the first time in the 48 continental States.

The need for crop reporting for specialty crops was brought to the committee's attention during this year's hearings. To meet this need it is recommended that the Department establish a central clearing point for the exchange of information on such things as plantings, crop conditions, production, and prices. Such information could be made available to the industry on a much more useful basis in this way.

There is also a need to strengthen the cattle-on-feed reporting system by extending quarterly reports to Texas and Nebraska and changing several States from annual to quarterly reports. The 1964 budget has not included separate funds for this purpose. The Department is requested to give attention to this need as fully as possible in the coming year within funds provided in the bill, however, and be prepared to consider the matter further during hearings on next year's budget.

AGRICULTURAL MARKETING SERVICE

The Agricultural Marketing Service was established November 2, 1953, under authority of section 161, Revised Status (5 U.S.C. 22), Reorganization Plan No. 2 of 1953, and other authorities. The Service carries on the following principal programs with appropriated funds:

Marketing services: These activities contribute to the efficient and orderly marketing of agricultural commodities. Funds for

the research activities have been transferred to the Agriculture Research Service.)

Payments to States: The Service administers the matched fund program for marketing activities carried out through cooperative arrangements by State departments of agriculture, bureaus of markets, and similar State agencies.

Special milk program: Assistance is provided to States for making reimbursement payments to eligible schools and child-care institutions which inaugurate or expand milk service in order to increase the consumption of fluid milk by children.

School lunch program: Federal assistance is provided to States, Puerto Rico, Virgin Islands, and Guam for use in serving nutritious midday meals to children attending schools of high school grades or under in order to improve the health and well-being of the Nation's children, and broaden the market for agricultural food commodities.

Removal of surplus agricultural commodities and marketing agreements and orders: These activities directly or indirectly tend to maintain prices received by farmers and establish and maintain orderly marketing conditions through (a) removing from the market surplus agricultural commodities through purchase and donation to eligible recipients, export and diversion payments; distribution of Commodity Credit Corporation donated commodities to eligible outlets authorized under section 416; and cooperation with the food trade and others to encourage greater consumption of abundant foods; (b) formulation and administration of marketing agreements and orders.

Food stamp program: This program, operating on a pilot basis in fiscal year 1963, is aimed at increasing domestic consumption of agricultural commodities by providing increased purchasing power to needy persons through issuance of food coupons.

Marketing services.—The bill for the coming fiscal year includes \$37,061,000 for this purpose, a net increase of \$1,026,505 over fiscal year 1963 and a decrease of \$834,325 in the budget estimate. The increase includes \$160,000 for additional postage costs, \$733,205 to finance 60 percent of the pay act increases for the coming year, and \$250,000 to provide 32 additional poultry inspectors. These increases are partially offset by a reduction of \$116,700 due to savings resulting from the new data processing system.

Poultry production has increased steadily in recent years and the number of plants and evisceration lines has reflected this growth. The number of poultry processing plants requiring inspection has increased from 480 in 1959 to an estimated 1,086 in fiscal year 1964.

In the opinion of the members of the committee, a separate unit should be established from present funds for the administration of the Packers and Stockyards Act. Also, Department regulations for this program should be modified and revised, recognizing essential differences in areas, as suggested in previous reports of this committee. Further, the officials of this program should immediately discontinue the practice of publicizing any claim or charge against any individual or stockyard company for violation of regulations where no formal hearings have been held or penalties invoked. Hearings or penalties should be for actions in violation of regulations and not for agreements which may have been forced in the first instance.

The committee also feels that free distribution of any commodity through any food donation program should be held to such level as will, in the opinion of the trade, not interfere with normal commercial sales or destroy the public demand for the product through commercial channels. Recent free distribution of peanut butter through food donation channels appears to seriously threaten normal commercial retail sales of this product, according to witnesses before the committee.

Payments to States and possessions.—Federal payments, authorized by section 204(b) of the Agricultural Marketing Act of 1946, are made under cooperative agreements between the U.S. Department of Agriculture, State Departments of Agriculture, Bureau of Markets, and similar State agencies for the conduct of eligible marketing service activities on a matching fund basis. The States contribute at least half of the cost and perform the work with State personnel.

The full budget estimate of \$1,425,000 is recommended for the fiscal year 1964. This is the same amount as was appropriated for the previous fiscal year. No increase in Federal personnel is involved in this appropriation.

Special milk program.—The special milk program is aimed primarily at increasing the consumption of fluid milk by children. Nonprofit schools of high school grade and under, all nonprofit summer camps and child-care institutions devoted to the care and training of children, are eligible to participate in the program. From its inception in fiscal year 1955 through fiscal year 1962, the program was financed through advances from the Commodity Credit Corporation. The Agriculture Act of 1961 (Public Law 87-128) approved August 8, 1961, changed financing to a direct appropriation beginning June 1, 1962, and extended the authorization through June 30, 1967.

An appropriation of \$100 million is proposed for the next fiscal year, a continuation of the amount expended for fiscal year 1963 and a reduction of \$2 million in the budget estimate.

In 1962, milk consumption under the program, 2.6 billion half-pints, was nearly six times the quantity consumed in 1955. The volume amounted to more than 2½ percent of the total nonfarm consumption of fluid milk in the United States. This was in addition to the 2.4 billion half-pints used in the school lunch type A meals.

School lunch program.—The committee proposes the full budget estimate of \$137 million, plus the transfer of \$45 million from section 32 funds for the purchase of meats and other foods needed to provide balanced school lunches. This is an increase of \$12 million over the appropriation approved for fiscal year 1963. No increase in employment is authorized.

For a number of years the committee has felt that funds for this program should increase as the number of children served increases. To that end the Committee this year has set the figure at a fixed reimbursement rate for the number of meals expected to be served next year. The appropriation provided in this bill has been computed on such a basis for the first time, and should continue on such basis hereafter.

In fiscal year 1962 a total of 2.4 billion school lunches were served. This increased to nearly 2.6 billion in fiscal year 1963 and is expected to increase to at least 2.7 billion during the coming fiscal year. At an average reimbursement rate of 5 cents per meal for the coming year, an appropriation of \$135 million will be required. In addition,

\$2 million is provided for the regular administrative expenses of the program.

Removal of surplus agricultural commodities (sec. 32).—Section 32 funds are used to encourage exportation and domestic consumption of agricultural products and to stabilize market prices either through announcements that the Department stands ready to enter the market, or by actual participation in the market. Generally, surpluses are removed from the market through purchases, which are then donated to schools, institutions, and needy persons.

Language is included in the bill this year for the first time to control the use of section 32 funds for purposes other than operation of the commodity programs authorized by basic law and for which the fund was originally provided. //

The committee has also included language to permit the use of up to \$25 million by the Commodity Credit Corporation to increase domestic consumption of any basic farm commodity determined by the Secretary of Agriculture to be in surplus supply. The use of these funds for this purpose appears fully justified, since they come from import duties and the problems facing many of our agricultural commodities at present are due to the failure to use the provisions of section 22 of the Agricultural Act of 1949, as amended, to limit the importation of such products.

This action should be a real saving to the taxpayer as a result of increased domestic consumption and decreased costs. For example, an increased domestic consumption of 1 million bales of cotton alone could save the taxpayers some \$30 million or more per year. Similar savings for wheat, soybeans, and other large crops can also be made through the use of this authority.

FOREIGN AGRICULTURAL SERVICE

The Foreign Agricultural Service promotes the export of U.S. farm products and represents the Department and U.S. agriculture abroad. It conducts foreign market development programs and collects and disseminates to U.S. agriculture the basic information essential to aggressive foreign marketing of U.S. agricultural products and to making necessary adjustments to meet changing situations abroad.

For the coming fiscal year, the committee recommends an appropriation of \$18,505,000, a net increase of \$1,369,730 over fiscal year 1963 and a decrease of \$534,000 in the budget estimate. Based on the total funds available to this service for fiscal year 1963, including \$3,994,000 for the special foreign currency program, this is a net reduction of \$2,624,270.

The increase recommended includes \$239,730 to finance 60 percent of the pay increases for the coming year, \$150,000 for 3 additional marketing specialists and 10 other personnel engaged in market development and trade expansion work, and \$1 million for market development projects under cooperative agreements with U.S. agricultural producers and trade groups. These are offset by a reduction of \$20,000 resulting from the new data processing operation.

The \$1 million for market development was provided by transfer from the foreign currency program in fiscal year 1963. Since no funds are being provided for the foreign currency program for the coming fiscal year, the \$1 million has been included as a direct appropriation under this heading for the coming year.

The domestic demand for farm products is expected to expand around 1½ percent in the present year, mainly as a result of population growth. Export markets for farm products are now expected to be somewhat below the high level of \$5.1 billion attained in 1961-62. One of the important factors in this expected reduction is the imposition of levies by the Common Market countries which became effective on July 30 of last year. Total U.S. agricultural exports to Common Market countries were 13 percent lower during the months of August-November 1962, than a year earlier. Exports of wheat flour were reduced 65 percent and those of poultry products dropped 40 percent.

The additional funds and personnel authorized in this appropriation are to be used for increased market development work abroad in an effort to retain and expand dollar markets for U.S. agricultural commodities.

COMMODITY EXCHANGE AUTHORITY

The Commodity Exchange Authority administers the Commodity Exchange Act of September 21, 1922, as amended. The objectives are to prevent commodity price manipulation and market corners; prevent dissemination of false and misleading crop and market information affecting commodity prices; protect hedgers and other users of the commodity futures markets against cheating, fraud, and manipulative practices; insure the benefits of membership privileges and contract markets to cooperative associations of producers; insure trust fund treatment of margin moneys and equities of hedgers and other traders and prevent the misuse of such funds by brokers; and provide information to the public regarding trading operations and contract markets.

The bill carries an appropriation of \$1,093,000, an increase of \$32,050 over fiscal year 1963 and a decrease of \$2,000 in the budget estimate. The entire increase is provided to cover pay act costs for the coming fiscal year.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

The Agricultural Stabilization and Conservation Service was established by the Secretary of Agriculture on June 5, 1961, under the authority of Reorganization Plan No. 2 of 1953, in accordance with the Reorganization Act of 1949, as amended (5 USC 133Z). The Service carries on the following principal programs from appropriated funds:

Acreage allotments and marketing quotas: The Agricultural Adjustment Act of 1938, as amended, authorizes production adjustment for designated basic commodities (tobacco, peanuts, wheat, cotton, and rice) through acreage allotments, and the adjustment of supplies through marketing quotas when supplies reach specified levels in relation to normal demand.

Special voluntary acreage reduction programs are in effect for the 1962 and 1963 crops of wheat and feed grains. The chief objectives of these special programs are to (1) increase farm income, (2) prevent further buildup of surplus stocks and to reduce such stocks, and (3) reduce program costs of price support activities.

Sugar act program: The chief objective of the Sugar Act of 1948, as amended, is "to protect the welfare of consumers of

sugar and those engaged in the domestic sugar-producing industry." This involves (a) determination of U.S. consumption requirements; (b) administration of quotas to regulate imports of sugar produced in foreign areas, as well as marketing of sugar produced in domestic areas; and (c) payments to domestic producers of sugarbeets and sugarcane, provided producers comply with certain labor, wage, price, and marketing requirements prescribed by law.

Agricultural conservation program: This program is authorized by the provisions of section 7 to 16(a), inclusive, and section 17 of the Soil Conservation and Domestic Allotment Act, as amended. Its objectives include (1) restoring and improving soil fertility, (2) reducing erosion caused by wind and water, and (3) conserving water on land. Cost-sharing assistance is furnished to individual farmers and ranchers in the 50 States, Puerto Rico and the Virgin Islands for carrying out approved soil-building and soil- and water-conserving practices on their farms. This assistance represents only a part of the cost of performing the practice. The farmer bears the balance of the cost, and in addition supplies labor and management necessary to carry out the practice.

Land use adjustment program: Section 16(e) of the Soil Conservation and Domestic Allotment Act, as amended, by section 101 of the Food and Agriculture Act of 1962, provides for long-term agreements under which cropping systems and land uses will be changed (1) to permanently shift to better productive use cropland which is not well suited for crop use, and (2) to temporarily shift to better productive use and utilize for other purposes land which is suitable for crop use but not currently needed for crops.

Emergency conservation measures: The objective of this program, which is authorized by the Third Supplemental Appropriation Act of 1957 and the Supplemental Appropriation Acts of 1958 and 1959, is to restore to normal agricultural use farmlands which have been damaged by wind erosion, hurricanes, floods, or other natural disasters. To this end, farmers are offered cost-sharing assistance for carrying out approved practices.

Conservation reserve program: The conservation reserve program authorized by the Soil Bank Act is a long-range program under which farmers have voluntarily contracted to take cropland out of production for a specified number of years and devote it to conservation uses. In return the farmer receives (a) an annual rental payment for the contract period, and (b) assistance in either cash or conservation materials and services for carrying out approved conservation practices on the reserved acreage. Farmers are required to apply approved conservation practices to the reserve acreage which include establishing grasses, legumes, or trees, or to devote it to soil-water-forest or wildlife conservation practices. They may not harvest a crop from the reserved acres or graze them, except when authorized in emergencies.

Commodity Credit Corporation program activities: Various price support and related programs have been authorized in numerous legislative enactments since the early 1930's. Opera-

tions under these programs are financed through the Commodity Credit Corporation. Personnel and facilities of the Agricultural Stabilization and Conservation Service are utilized in the administration of programs of the Commodity Credit Corporation, and the Administrator of the Service is also Executive Vice President of the Corporation.

Foreign assistance programs and other special activities: Various surplus disposal programs and other special activities are conducted pursuant to specific statutory authorizations and directives. These laws authorize the use of CCC funds and facilities to implement the programs. Appropriations for these programs are transferred or paid to the Corporation for its costs incurred in connection with these activities, such as Public Law 480; International Wheat Agreement; Bartered materials for supplemental stockpile; National Wool Act.

Expenses, Agricultural Stabilization and Conservation Service.—An appropriation of \$105,737,000 is included in the bill for fiscal year 1964, an increase of \$10,314,000 over fiscal year 1963, and a decrease of \$9,207,000 in the budget estimate.

The increase includes \$4,830,000 to cover 1963 Pay Act costs financed by transfer of funds and 60 percent of the pay act increases required for the coming year. In addition, it includes \$195,000 to meet increased postage costs, \$5 million for performance checking on the feed grain and wheat stabilization programs, and \$500,000 for administration of the land use adjustment program authorized by section 101 of the Food and Agriculture Act of 1962. These increases are partially offset by a reduction of \$211,000 due to savings from the installation of the new data processing system.

The increase will provide funds to complete measurement of acreage diverted under the 1963 feed grain and wheat programs and will permit a second check on participating farms to determine ultimate use made of diverted acreage. This increase will also provide funds for acreage measurement in 1964 for wheat farmers who elect to plant within their allotments and qualify for price support, and other measurements as required by present law. No funds are included for administering the 1964 feed grain program.

Section 101, title I, Food and Agricultural Act of 1962, provides for a land use adjustment program under which payments are to be made to producers for making changes in land uses and cropping systems and for conserving and developing soil, water, forests, wildlife, and recreational resources. With the \$500,000 included in this bill for administrative purposes it is proposed to extend the pilot program initiated in 1963 to other areas of the country (1) to cover a portion of the land released from the conservation reserve, and (2) to extend conservation practices to other land.

It has come to the attention of the committee that county and community committeemen are being required to sign statements that they will support the programs and policies they will administer. In the opinion of a majority of the members of the committee this requirement is unwarranted and is not authorized. It has subjected the activities of the Department to severe partisan criticism. The Secretary should discontinue this requirement.

The use of any funds provided in this appropriation bill in an effort to influence the vote of any participant in any referendum on any proposed farm program or pending agricultural legislation is not

within the provisions of this Act and in the opinion of the Committee would be completely unauthorized.

Some years ago, Congress adopted legislation to assure proper security measures for the handling of crop and livestock estimates as the result of instances of premature release of information which caused considerable damage to those engaged in producing and handling agriculture commodities. Apparently the rules and regulations and security measures adopted under this law are working satisfactorily. No further criticisms or complaints have come to this committee's attention.

In view of the large volume of commodities and large amounts of funds involved in the transactions of the Commodity Credit Corporation—a \$14.5 billion corporation—and in view of their impact on commercial markets, it is the feeling of the committee that protections somewhat similar to those for crop and livestock estimates should be established for the handling of the affairs of the Commodity Credit Corporation. Therefore, it is recommended that full and complete minutes be recorded of all meetings of the Corporation and that security measures be instituted relative to actions and decisions on price support levels, purchase programs, announcements of proposed sales programs, and other significant factors. Also, it is recommended that significant actions and decisions affecting the conduct of the business of this Corporation be based on written legal opinions obtained from the General Counsel of the Department of Agriculture.

Sugar Act program.—Payments are made to domestic producers of sugarbeet and sugarcane who comply with certain special requirements. To finance these payments, a tax of 50 cents per hundred pounds is imposed on all beet and cane sugar processed in or imported into the United States for direct consumption. During the period 1938–62, collections of \$1.9 billion from excise taxes and import taxes have exceeded payments by \$465.5 million. Estimated collections through fiscal year 1964 of \$2.3 billion will exceed estimated payments by \$667 million.

The committee recommends an appropriation of \$78 million for the next year, an increase of \$350,000 over 1963 and a decrease of \$2 million in the budget estimate.

Total sugar production from 1963 crops is estimated at 6,275,000 tons, an increase of 304,000 tons over production from 1962 crops. Of this increase, 250,000 tons is expected from the beet area, 50,000 tons from Hawaii, and 4,000 tons from the Virgin Islands. The increase of \$350,000 is provided to partially meet this increased production. If estimated production increases are fully realized, some additional funds may be needed at a later date.

Agriculture conservation program.—An appropriation of \$215 million is recommended for fiscal year 1964 to make payments earned under the program authorized in the 1963 appropriation bill. This is an increase of \$2,100,000 over funds appropriated for fiscal year 1962, due to greater participation in the 1963 program. It is a reduction of \$5 million in the budget estimate. Amounts due under this program are legal commitments and funds must be provided to pay all contracts entered into.

The committee has restored the 1964 program authorization contained in this bill to the regular \$250 million operating level. In 7 of the past 10 years, Congress has been called upon to restore budget cuts recommended in this program authorization.

In the opinion of the majority of the members of the committee, the funds expended through this program return to the Nation the greatest possible conservation benefits. Further, this program provides the best possible means of meeting local conservation needs in all areas of the country. It is far more effective than many other approaches adopted in recent years.

Conservation practices under this program are developed initially at the local level by ASC State and county committees, the Soil Conservation Service, and the Federal Forest Service. Representatives of the land-grant colleges, the Farmers Home Administration, State conservation committees, and other State and Federal agricultural agencies also participate in these determinations.

The recommendations of these groups are used as the basis to formulate joint recommendations to the Agricultural Stabilization and Conservation Service in Washington. From these recommendations, the various agencies of the Department in Washington develop and recommend to the Secretary of Agriculture a national program. State and local people then develop their local programs within the structure of the national program approved by the Secretary. No practices are adopted and put into effect in any State or county unless approved by the local conservation groups.

Through the years this program has been the principal stimulus to farmers and ranchers to apply needed conservation measures. It has stimulated twice as much conservation as the amount of Federal funds provided, since the farmer puts up about half the cost of conservation practices installed, plus his labor. The program has over 1 million participants each year, which is nearly 25 percent of all farming units in the United States. In 1962, there were approximately 1.2 million participants.

Since 1936, conservation measures performed under this program have made a major contribution to the total soil and water conservation effort of the Nation. Over 1.7 million dams and reservoirs have been constructed, some 26 million acres of the land have been terraced, over 111 million acres have been protected by stripcropping, about 41 million acres have been placed under proper drainage practices, over 44 million acres of range or pasture and 770 million acres of other lands have been placed under vegetative cover.

Conservation reserve program.—An appropriation of \$294 million is proposed for fiscal year 1964 to pay off obligations incurred under the conservation reserve contracts still in effect. This is a decrease of \$10 million below the funds provided for fiscal year 1963.

Approximately 19,000 contracts covering 1.3 million acres expired as of last December. Additional contracts will expire at the end of 1963 and each year thereafter. Some of the 10-year contracts entered into in 1960 will continue through fiscal year 1970. A few of these contracts for planting of tree seedlings, which were extended 2 years beyond 1960 due to the unavailability of tree seedlings, will extend through fiscal year 1972.

Land-use adjustment program.—Title 1 of the Food and Agriculture Act of 1962 includes authority for the Secretary to carry out long-range conservation plans with individual farmers and ranchers through agreements extending up to 10 years. In addition, for calendar year 1963, the act authorizes assistance with respect to land covered by conservation reserve contracts which expired last December.

Pilot projects will be initiated in representative areas throughout the country to determine how land not needed for crop production can best be used for conserving and developing soil, water, forests, wildlife, and recreational resources. It is expected that an adjustment payment will be required to compensate the landholder for the adjustment made and also share payments to provide for the establishment of trees, grass, or recreational facilities.

During fiscal year 1963, agreements have been entered into under this pilot program totaling \$2,050,437. Further, agreements have been signed to continue conservation on over 700,000 acres of the 1.3 million acres removed from the conservation reserve program last December. It is expected that rental obligations and cost sharing on these acres will total around \$7 million.

An appropriation of \$2 million was provided in the Supplemental Appropriation Act for 1963 (Public Law 88-25) to meet fiscal year 1963 costs under these agreements. The bill for 1964 includes a recommended appropriation of \$10 million to meet the costs for the coming fiscal year. This is a decrease of \$9 million in the budget estimate. Approximately \$6 million will be required to meet obligations under the agreements on the former conservation reserve land. The balance is provided to meet 1964 practice payments under 1963 pilot project agreements and to make adjustment and practice payments under agreements to be entered into during fiscal 1964.

OFFICE OF RURAL AREAS DEVELOPMENT

Rural areas development program activities are carried out by the Office of Rural Areas Development which was established by the Secretary of Agriculture's memorandum 1448 of June 16, 1961. The responsibilities of the Office are to (1) provide leadership and initiative in the formulation of plans for carrying out rural development programs of the Department of Agriculture; (2) coordinate and expedite the application of resources of Department agencies in assisting State, local, private, community, and farm organizations and individuals working for the improvement of economic conditions in rural areas; (3) maintain liaison with appropriate departments and agencies of the executive branch and with officials of public and private organizations to assure coordinated effort in utilization of available resources in support of the rural areas development program. The Office also coordinates work conducted by USDA agencies under the Area Redevelopment Act and the accelerated public works program, acts as liaison between USDA agencies and other Federal agencies. It also advises State and local governments in establishing projects under these programs.

On February 28, 1963, employment in the Office of Rural Areas Development consisted of 24 employees, all of whom were in Washington. This includes employees paid from funds transferred from the Area Redevelopment Administration, Department of Commerce.

For the coming fiscal year an appropriation of \$120,000 is recommended, an increase of \$32,150 over funds available for fiscal year 1963 and a reduction of \$14,000 in the budget estimate. The increase includes \$3,220 to meet pay increases during the coming year, plus funds to employ two additional persons to strengthen the coordination and administration of the Department's rural areas development program.

The rural areas development program is expanding rapidly throughout the Federal Government. Additional coordination and direction of this program must be provided if it is to meet its objectives. The additional funds are provided on the assumption that the Secretary of Agriculture will use this Office to provide the necessary coordination and direction. A large number of agencies of the Department are engaged in this program and their work must be fully integrated. Also the work of the Department must be fully coordinated with the Area Redevelopment Administration of the Department of Commerce and other Federal agencies working on redevelopment, if the rural areas are to realize the benefits of such a program.

OFFICE OF THE GENERAL COUNSEL

The Office of the General Counsel, originally known as the Office of the Solicitor, was established in 1910 (5 U.S.C. 518) as the law office of the Department of Agriculture, and performs all of the legal work arising from the activities of the Department. The General Counsel represents the Department in administrative proceedings for the promulgation of rules having the force and effect of law; in quasi-judicial hearings held in connection with the administration of various programs and acts; and in proceedings before the Interstate Commerce Commission involving freight rates and practices relating to farm commodities, including appeals from the decisions of the Commission to the courts. He serves as General Counsel for the Commodity Credit Corporation and the Federal Crop Insurance Corporation. He reviews criminal cases arising under the programs of the Department for referral to the Department of Justice.

The committee recommends \$3,953,000 for the next fiscal year, an increase of \$98,400 over 1963 and a decrease of \$34,000 in the budget estimate. The increase will cover approximately 80 percent of the pay act increases needed by this Office for the coming year.

OFFICE OF INFORMATION

The Office of Information was established under its present name in 1925 as a consolidation of functions formally organized as early as 1889, to coordinate in the Department the dissemination of information useful to agriculture as directed by the act establishing the Department of Agriculture in 1862.

The Office has general direction and supervision of all publications and other information policies and activities of the Department including the final review, illustrating, printing, and distribution of publications; clearance and release of press, radio, television, and magazine materials; maintenance of central files of news and general illustration-type photographs; and the preparation and distribution of exhibits and motion pictures. The Office publishes the Yearbook of Agriculture, the annual report of the Secretary of Agriculture, the Department Directory, and the Department List of Publications; handles the details of distributing farmers' bulletins allotted to Members of Congress; and services letter and telephone requests for general information received in the Department. Under the Department's working capital fund, the Office also produces visual informational materials, such as motion pictures, art and graphics materials,

and still photographic work for the Department and other Government agencies.

The full budget estimate of \$1,684,000 is recommended for fiscal year 1964, an increase of \$21,780 over funds provided for the previous year. The additional funds recommended are needed to meet increased postage costs and to finance 80 percent of the pay act increases needed for the coming year.

NATIONAL AGRICULTURAL LIBRARY

The Library, pursuant to the Department's organic act of 1862, and under delegation from the Secretary, "procures and preserves all information concerning agriculture which can be obtained by means of books * * *." Under the act establishing the Department, the Library also serves as the National Agricultural Library.

The Library makes available to the research workers of the Department and the State agricultural colleges, as well as to the general public, the agricultural knowledge of the world that is contained in published literature. The Library collects current and historical published material and organizes it for maximum service to the Department and to the public through reference services, loans of publications, bibliographical services, and photo reproductions of library material. It issues a monthly Bibliography of Agriculture in which is listed the agricultural literature of the world. The book collection approximates 1.2 million volumes.

For salaries and expenses, the committee recommends \$1,420,000 for the coming fiscal year, an increase of \$234,680 over fiscal year 1963 and a reduction of \$275,000 in the budget estimate. The increase will cover approximately 90 percent of the pay act increases required during the coming year and will provide 20 additional man-years of employment to meet the expanding demands upon the Library.

Research personnel of the Department continue to make additional demands on the library for more adequate library aid. As the research programs increase, expansion in library facilities and services becomes essential. To assure maximum results from the research dollars invested each year, it is essential that the additional library facilities and research information be available to the research technicians

The committee has also included an appropriation of \$450,000 for the preparation of plans, specifications and drawings for a new library. More than 20 years' ago the inadequacy of the present library quarters was recognized. Today the problems are so severe that service is greatly impaired and publications cannot be properly preserved. Many publications necessary for scientific research are not being purchased because of lack of space and staff to store and maintain them.

It is contemplated that new library facilities providing about 240,000 gross square feet of usable space will be needed to provide adequate and efficient arrangements. Based on comparable construction costs, it is estimated that adequate facilities can be constructed for between \$6 and \$7 million.

GENERAL ADMINISTRATION

The Secretary of Agriculture, assisted by the Under Secretary, the Assistant Secretaries, and members of their immediate staff, directs and coordinates the work of the Department; formulates and develops

policy; maintains relationships with agricultural organizations and others in the development of farm programs; and maintains liaison with the Executive Office of the President and Members of Congress on all matters pertaining to legislation and policy to insure effective performance of the agricultural programs of the Department.

The following activities are also included under General Administration:

Personnel administration and service is carried on by the Office of Personnel, the staff agency with responsibility for the personnel management program of the Department.

Budgetary and financial administration and service is carried on by the Office of Budget and Finance, the staff agency with responsibility for functions relating to overall administration of the budgetary, fiscal, and related affairs of the Department.

General operations are carried on by the Office of Plant and Operations, a staff agency exercising general staff management direction of the housing of the Department's activities; the leasing of commercial space and management of real property; procurement activities; purchasing, warehousing, utilization and disposal of administrative and operating supplies and equipment.

Management appraisal and systems development functions are carried out by the Office of Management Appraisal and Systems Development which was established by Secretary's Memorandum No. 1477 of December 8, 1961. The Office is responsible for the general direction, leadership, and coordination in the department of management appraisals, systems design, automatic data processing, operations research, and related management techniques.

Regulatory hearings and decisions include the work of the Office of Hearing Examiners and of the Judicial Officer. The Hearing Examiners carry out the provisions of the Administrative Procedure Act relating to the holding of hearings (5 U.S.C. 1006, 1010). Hearings are held in connection with prescribing of new regulations and orders, and on disciplinary complaints filed by the Department, or on petitions filed by private parties asking relief from some action of the Department.

Internal audit, inspection, and investigations activities are carried out by the Office of the Inspector General which was established by the Secretary of Agriculture's Memorandum No. 1503 dated June 25, 1962, and No. 1524 dated December 21, 1962. The Office is responsible to the Secretary for assuring that existing laws, policies, and programs of the Secretary are effectively complied with on every level of administration in accordance with the intent of the Congress and the Secretary. It insures prompt and appropriate corrective action in those areas in which deviation from established law, policy, procedure, rules, or regulations has developed; and conducts internal audit, inspection, and investigative activities within the Department and coordinates and correlates them with various investigative agencies of the executive and legislative branches of the Government.

The National Agricultural Advisory Commission was established pursuant to Executive Order 10472, approved July 20, 1953, amended by Executive Order 10937, approved May 3, 1961. In its advisory functions, the Commission is concerned with the broad fields of agricultural policy and administration, both as they affect the U.S. farmer and the national economy.

For the coming year the committee recommends an appropriation of \$3,735,000, an increase of \$338,000 over fiscal year 1963 and a decrease of \$240,000 in the budget estimate. The increase includes \$113,000 to meet 80 percent of the Pay Act increases for next year, plus \$225,000 for the new auditing, inspection, and investigation activities.

This latter amount was provided by transfer from the various agencies of the Department during fiscal year 1963. For the coming year it is proposed to finance this work by direct appropriation under this heading. The appropriations of the other agencies of the Department have been adjusted accordingly.

TITLE II—CREDIT AGENCIES

RURAL ELECTRIFICATION ADMINISTRATION

The Rural Electrification Administration was established by Executive Order 7037 of May 11, 1935, to make loans for extension of central station electric service to unserved rural people. It was continued by the Rural Electrification Act of May 20, 1936, and became part of the Department of Agriculture on July 1, 1939, under Reorganization Plan II. On October 28, 1949, Public Law 423 amended the act to authorize loans for furnishing and improving rural telephone service.

Electric and telephone construction loans are self-liquidating within a period not to exceed 35 years at 2 percent interest.

Loan authorization.—For electrification loans during fiscal year 1964, the committee recommends the budget estimate of \$425 million, an increase of \$25 million over 1963. For the telephone loan program the committee recommends the budget estimate of \$70 million, a reduction of \$10 million below 1963. Of the amount provided for the electrification program, \$150 million has been placed in a contingency reserve, in accordance with the practice followed for a number of years.

The committee wishes to again point out that these amounts are not considered as regular appropriations, since they are merely limitations on the amount of funds which the REA may lend during the fiscal year from amounts borrowed from the Treasury and funds are not actually drawn from the Treasury until loans are approved and advance payments are made. Further, the amounts advanced are eventually repaid in full with interest.

The discussion of this program earlier in this report points out the remarkable repayment record of the program and notes that, as of February 28, 1963, only two borrowers were delinquent and they are expected to become solvent in the near future. During fiscal year 1962, repayment of principal on electric loans went over the \$1 billion mark with repayments ahead of schedule exceeding \$16 million.

Also, the responsibilities of the Administrator in connection with generation and transmission loans and section 5 loans were discussed at length earlier in this report. Recommendations were made that the Administrator should set up a survey group within his office and should certify to the Secretary of Agriculture as to the need for such loans, including a showing that every effort has been made to work out

reasonable contracts with private power suppliers before approval of generation and transmission loans.

Salaries and expenses.—An appropriation of \$11,162,000 is recommended for the coming fiscal year, an increase of \$719,800 over 1963 and a decrease of \$182,000 in the budget estimate.

The increase will provide \$431,800 to cover 80 percent of the Pay Act increases for the coming year, plus \$300,000 for the employment of 15 additional employees to implement the surveys, audits, and supervision necessary to carry out recommendations contained in the earlier discussions of REA loans. These increases are partially offset by a reduction of \$12,000 due to savings resulting from the centralized data processing operation.

FARMERS HOME ADMINISTRATION

The Farmers Home Administration, established November 1, 1946, conducts the following primary activities:

Makes direct and insured farmownership loans to farmers and ranchers for acquiring, enlarging, or improving farms, including farm buildings, land development, use and conservation, refinancing indebtedness, and for loan-closing costs. Loans are repayable in not more than 40 years and bear interest not in excess of 5 percent. Insured loans are made with funds advanced by private lenders and payments of principal and interest are fully guaranteed.

Makes direct and insured soil and water conservation loans to farmers and ranchers and to associations for the effective development and utilization of water supplies and for the improvement of farmland by soil and water conserving facilities and practices. Loans are repayable in not more than 40 years and bear interest not in excess of 5 percent.

Makes direct operating loans to farmers and ranchers for paying costs incident to reorganizing a farming system for more profitable operations, for a variety of essential farm operating expenses such as purchase of livestock, farm equipment, feed, seed, fertilizer, and farm supplies, for financing land and water development, use and conservation, for refinancing indebtedness, for other farm and home needs, and for loan-closing costs. Loans bear interest at 5 percent and may be made for periods up to 7 years, but may be renewed for not more than 5 additional years.

Makes direct emergency loans in designated areas where a natural disaster has caused a general need for agricultural credit which cannot be met for temporary periods of time by private, cooperative, or other responsible sources, including the Farmers Home Administration. Emergency loans bear interest not in excess of 3 percent and are repayable not later than provided for the regular loans for similar purposes.

Makes rural housing loans and grants for building purposes pursuant to title V of the Housing Act of 1949, as amended, to farm owners, to owners of other real estate in rural areas, and to long-term farm leaseholders to construct, improve, alter, repair, or replace dwellings and essential farm service buildings. Direct farm enlargement and development loans, along with building loans, are also made to farm-owners on potentially adequate farms who need to develop their farms so as to increase their income sufficiently to repay the loans.

Loans are repayable in not more than 33 years and bear interest at 4 percent.

Makes watershed and flood prevention loans from funds appropriated under "Watershed protection, Soil Conservation Service" and under "Flood prevention, Soil Conservation Service." Such loans are made to local organizations for installing, repairing, or improving works of improvement and water storage facilities, purchasing sites or rights-of-way and for related costs. Loans are repayable in not more than 50 years at an interest rate based on specified outstanding obligations of the Treasury.

Makes insured loans for rental housing for the elderly pursuant to title V of the Housing Act of 1949, as amended. Such insured loans are made to individuals, corporations, associations, trusts, or partnerships to provide moderate cost rental housing and related facilities for elderly persons in rural areas. These loans, made with funds advanced by private lenders, are repayable in the number of years best suited to the individual case and bear interest at 5¼ percent. No loan may exceed \$100,000.

Makes direct loans for rental housing for the elderly pursuant to title V of the Housing Act of 1949, as amended. Such direct loans are made to private nonprofit corporations and consumer cooperatives to provide modest cost rental housing and related facilities for elderly persons of low or moderate income in rural areas. These direct loans, made from the Rural housing for the elderly revolving fund, are repayable in not more than 50 years and bear interest at a rate similar to that of the direct loan program of the Housing and Home Finance Agency for the elderly in urban areas which is currently 3½ percent.

Beginning with fiscal year 1964 the Farmers Home Administration will provide technical assistance and make loans for rural renewal activity pursuant to section 102 of the Food and Agriculture Act of 1962. Loans will be made to local agencies or groups for rural renewal projects specifically related to conservation and land utilization.

Direct loan account.—Pursuant to the Consolidated Farmers Home Administration Act of 1961, a direct loan account was established in fiscal year 1962. Collections of principal and interest on loans outstanding are deposited in the direct loan account and are available for principal and interest payments on borrowings from the Secretary of the Treasury and for making additional loans for (a) farmownership, (b) soil and water conservation, and (c) operating purposes. Such loans may be made only in such amounts as may be authorized in annual appropriation acts.

As of the end of fiscal year 1963, it is estimated that this new account will have a balance on hand of \$167,063,969. It is further estimated that collections during next year will total \$303,084,000, which will provide total funds available for fiscal year 1964 of \$470,147,969 in the revolving fund.

The bill includes authority to use up to \$360 million of this total for loans during the coming fiscal year, \$60 million for real estate loans and \$300 million for operating loans. These represent increases of \$10 million over fiscal year 1963 for each category of loan. Of the amount provided for operating loans, \$50 million has been placed in a contingency reserve, to be used only to the extent that it becomes necessary to meet the needs of the program during the year.

Rural renewal.—The rural renewal program was authorized by section 102 of the Food and Agricultural Act of 1962. The program provides technical assistance to locally initiated and sponsored demonstration projects. Loans will be made to local public agencies or groups for rural renewal development projects specifically related to conservation and land utilization. To be eligible for designation as a rural renewal area, the locality must be one of chronic underemployment on farms and unemployment in the surrounding communities and where agriculture or forestry contributes substantially to the economy.

The committee recommends an appropriation of \$1 million to initiate this program during the coming fiscal year. This is a reduction of \$1,350,000 in the budget estimate. The increase will provide funds for approximately 20 additional people to provide the technical assistance. The balance will be available for loans to local public agencies and other sponsoring groups.

Rural housing for the elderly revolving fund.—This program was authorized by the Senior Citizens Housing Act of 1962, approved September 28, 1962. The act authorizes an appropriation of not to exceed \$50 million for a revolving fund to finance the program. It also authorizes loans from the revolving fund to private nonprofit corporations and consumer cooperatives to provide modest rental housing and related facilities for elderly persons (age 62 or over) of low or moderate income in rural areas. These are direct loans, repayable in not more than 50 years. The interest is comparable to housing loans for the elderly in urban areas, which is currently running 3½ percent.

For the coming fiscal year the committee recommends an appropriation of \$2 million for this program, a decrease of \$3 million in the budget estimate. An appropriation of \$1 million is included in the Supplemental Appropriation Act, 1963 (H.R. 5517) to get this program underway. However, most of this amount will carry forward into the next fiscal year, which will provide nearly \$3 million for this purpose in the coming year.

Salaries and expenses.—The bill includes a total of \$39,417,000 for the administrative expenses of this agency. Of this amount \$38,367,000 is provided by direct appropriation and \$1,050,000 is provided as a transfer from the Agricultural Credit Insurance Fund. This is an increase of \$2,588,100 over fiscal year 1963 and a reduction of \$1 million in the budget estimate. The increase includes \$850,100 to finance 60 percent of the pay act increases for the coming year, plus \$1,835,000 to employ 200 additional employees to meet the heavy workload of this agency. These are partially offset by a reduction of \$97,000 due to the data processing system.

The workload of this agency has more than doubled in the past several years. The total volume of lending operations has grown from \$309 million in fiscal year 1960 to over \$800 million in fiscal year 1963. The number of farm-ownership loans have increased from 2,502 in 1960 to 10,943 in 1962. Soil and water conservation loans are 50 percent greater in 1963 than in 1962. During the first half of fiscal year 1960, 2,795 rural housing loans were processed; during the first half of fiscal year 1963, 12,720 rural housing loans were approved. Increased farm operating costs and larger farms continue to increase the demand for operating loans.

Also, various new programs have been added to the responsibilities of this agency during the past few years, including the rural renewal program authorized by the 1962 Agricultural Act, rural housing for the elderly authorized by the Senior Citizens Housing Act of 1962, farm labor housing and rural housing repair and improvement grants. In addition, this agency handles the loans to local sponsoring organizations under the watershed protection and flood prevention programs.

Despite these heavy increases in volume of work, the personnel strength of the agency has remained about the same since 1955. Additional funds are necessary for the coming year, therefore, to strengthen county and State office staffs in the most critical areas to handle this extra workload and protect the taxpayers' investment.

The Farmers Home Administration should give special attention to the training of new employees. In order to conduct the most efficient and effective programs with a minimum of personnel, it is essential that all FHA employees be well trained and fully informed on all rural credit problems.

In addition, the committee recommends that wherever possible the agency employ temporary personnel to meet temporary or special problems, rather than to increase the number of permanent civil service personnel. In this connection, the committee has included language in the bill to permit the transfer of up to \$500,000 from the various programs administered by this agency for temporary employment to meet unusual peakload conditions.

With regard to the rural housing program, the committee is proud of the record made by the Farmers Home Administration. At the insistence of this committee, this program was changed from a farm housing to a rural housing program to meet the needs of far more people. This has meant a great deal to rural people in small towns who were not previously eligible for housing loans under either the Farmers Home Administration or the Federal Housing Administration. It has come to the committee's attention in connection with the administration of this program, however, that there is a lack of uniformity in requirements as to the amount of land required for such housing units. It is recommended, therefore, that standards be established as to the amount of land required for various types of rural housing.

TITLE III—CORPORATIONS

FEDERAL CROP INSURANCE CORPORATION

The Federal Crop Insurance Corporation is a wholly owned Government corporation created February 16, 1938 (7 U.S.C. 1501) to carry out the Federal Crop Insurance Act. Its purpose is to promote the national welfare by improving the economic stability of agriculture through a sound system of crop insurance and providing the means for research and experience helpful in devising and establishing such insurance.

Crop insurance offered to agricultural producers by the Corporation provides protection from losses caused by unavoidable natural hazards, such as insect and wildlife damage, plant diseases, fire, drought, flood, wind, and other weather conditions. It does not indemnify producers for losses resulting from negligence or failure to observe good farming practices.

The committee recommends a total of \$10,480,000 for operating and administrative expenses for fiscal year 1964, \$6,950,000 by direct appropriation and \$3,530,000 from premium income. This is an increase of \$415,750 over funds provided for fiscal year 1963 and is a net reduction of \$210,000 in the budget estimate. The increase includes \$115,750 to cover 60 percent of the pay increases for the coming year and \$300,000 for an additional 20 man-years of service to expand the program, as contemplated by the long-range crop insurance program. Since the program is operating on a sound financial basis and has a surplus of premiums over indemnities, the committee feels that it should be extended to as many areas as possible to spread the coverage and reduce the risk.

The program will be available in a total of 1,196 counties in fiscal year 1964, an increase of 100 over 1963. In addition, insurance on additional commodities will be offered in 150 counties previously in the program. This will make a total of 300 new county programs for fiscal year 1964, and will increase participation to 430,000 crops, an increase of 25,000 over the number insured during fiscal year 1963.

COMMODITY CREDIT CORPORATION

The Corporation was organized October 17, 1933, under the laws of the State of Delaware, as an agency of the United States, and was managed and operated in close affiliation with the Reconstruction Finance Corporation. On July 1, 1939, it was transferred to the Department of Agriculture by the President's Reorganization Plan I. On July 1, 1948, it was established as an agency and instrumentality of the United States under a permanent Federal charter by Public Law 80-806, as amended. Its operations are conducted pursuant to this charter and other specific legislation.

The Commodity Credit Corporation engages in buying, selling, lending, and other activities with respect to agricultural commodities, their products, food, feeds, and fibers. Its purposes include stabilizing, supporting, and protecting farm income and prices; assisting in the maintenance of balance and adequate supplies of such commodities; and facilitating their orderly distribution. The Corporation also makes available materials and facilities required in connection with the production and marketing of such commodities.

The Corporation is managed by a board of directors appointed by the President and confirmed by the Senate, subject to the general supervision and direction of the Secretary of Agriculture, who is, ex officio, a director and chairman of the board. In addition, it has a bipartisan advisory board of five members appointed by the President to survey the general policies of the Corporation and advise the Secretary with respect thereto.

Personnel and facilities of the Agricultural Stabilization and Conservation Service, ASC State and county committees, and other USDA agencies are used to carry out Corporation activities.

The Corporation has an authorized capital stock of \$100 million held by the United States and authority to borrow up to \$14.5 billion. Funds are borrowed from the Federal Treasury and may also be borrowed from private lending agencies. In connection with loan guarantees, the Corporation reserves a sufficient amount of its borrow-

ing authority to purchase at any time all notes and other obligations evidencing loans made by lending agencies or certificates of interest issued in connection with the financing of price-support operations. All bonds, notes, debentures, and similar obligations issued by the Corporation are subject to approval by the Secretary of the Treasury as required by the act of March 8, 1939 (15 U.S.C. 713a-4).

The budget is based on the following types of programs: (1) price support, (2) commodity export, (3) storage facilities, (4) supply and foreign purchase, (5) special agricultural conservation program for feed grains, (6) wheat stabilization program, and (7) special activities.

Reimbursement for net realized losses.—An appropriation of \$2,500 million is included in the bill to restore capital impairment of the Corporation for the fiscal year 1962. This is an increase of \$221,545,000 over fiscal year 1963 appropriations and a decrease of \$299,400,000 in the budget estimate.

The Department is urged to continue to increase competitive sales of commodities on hand. Three recent sales of cotton for export resulted in sales of approximately 550,000 bales of cotton worth approximately \$70 million. Additional sales of cotton and other commodities should provide additional funds for the operation of the Corporation in amounts equal to or in excess of the reduction in appropriations recommended for the coming year. Also, the inclusion of authority to use \$25 million of section 32 funds by the Corporation to increase domestic consumption of commodities determined to be in surplus supply should provide additional income to the Corporation during the coming year by reducing costs.

The major elements of the costs for fiscal year 1962 (for which the 1964 budget is proposed) are as follows:

	<i>Thousands</i>
Storage and handling-----	\$393, 257
Transportation-----	134, 051
Interest expense-----	290, 651
Administrative and program expenses-----	91, 044
Commodity export payments-----	244, 180
Donation programs-----	481, 268
Nonfarm benefits-----	1, 634, 451
Price support operations-----	1, 164, 949
Total costs-----	2, 799, 400

It will be noted from these figures that nearly 60 percent of the expenditures under this program during fiscal year 1962 went to groups other than farm producers. These nonfarm benefits went to warehousemen, transportation companies, exporters, consumers, and other groups not directly a part of the farming segment of our economy.

Limitation on administrative expenses.—The committee recommends the budget request of \$41,650,000 for the coming year for administrative expenses of the Corporation. This is a reduction of \$1,538,500 in the limitation authorized for fiscal year 1963, due to the closing of three regional commodity offices and increased employee productivity. The total employment for the Agricultural Stabilization and Conservation Service including CCC operations will be some 736 man-years less in fiscal year 1964 than in the current year.

TITLE IV—FOREIGN ASSISTANCE PROGRAMS

A number of statutes provide for the facilities of the Commodity Credit Corporation to be used in carrying out programs for the exportation of surplus agricultural commodities and authorize appropriations to reimburse the Corporation for costs incurred in connection with such programs.

Prior to fiscal year 1962, the Corporation was reimbursed for the costs of these activities by appropriations subsequent to incurrence of the costs. Beginning in the fiscal year 1962, the Congress added funds to place these activities on a pay-as-you-go basis, appropriating for estimated costs in fiscal year 1962. Subsequent bills have included funds for each ensuing fiscal year on the same basis as for other programs of the Department. No personnel increases are included in any of these appropriations.

Foreign assistance programs are currently being carried out pursuant to the following specific authorizations:

Public Law 480 (Agricultural Trade Development and Assistance Act—7 U.S.C. 1701–1736):

Sales of surplus agricultural commodities for foreign currencies: Under title I of the act, surplus agricultural commodities are sold for foreign currencies. Within certain limitations, these currencies may then be used by the U.S. Government for agricultural market development, purchase of strategic materials, military equipment facilities and services for the common defense, payment of U.S. obligations, military housing, and other specified purposes. Appropriations are authorized to reimburse the Corporation for its net costs in carrying out this program.

Commodities disposed of for emergency famine relief to friendly peoples: Under title II, the Commodity Credit Corporation makes its surplus stocks of agricultural commodities available for famine relief and other assistance to friendly nations and friendly peoples in meeting famine or other relief requirements and to pay ocean freight charges for the shipment of donated commodities.

Appropriations are authorized to reimburse the Corporation for its costs in carrying out the program.

Long-term supply contracts: Under title IV the President is authorized to make agreements with friendly nations under which the United States could deliver surplus agricultural commodities over periods of up to 10 years and accept payment in dollars with interest over periods of up to 20 years.

International Wheat Agreement (7 U.S.C. 1641–1642): The Act operates to provide an assured market for wheat to exporting countries at stable and equitable prices. The maximum and minimum prices in the 1959 agreement are \$1.90 and \$1.50 per bushel, respectively, for the basic grade of wheat, No. 1, Manitoba Northern, at Fort William/Port Arthur, Canada, in terms of Canadian currency at the parity for the Canadian dollar determined for the purposes of the International Monetary Fund as of March 1949. The total quantity represents about 36 percent of the world trade in wheat.

The Commodity Credit Corporation makes available wheat or wheat flour to carry out the provisions of the agreement, including the payment-in-kind to the exporter for the difference between the prevailing sales price of wheat under the agreement and the market price. A cash payment for this differential is made for flour.

Bartered materials for supplemental stockpile: Under title II of the Agricultural Act of 1956 (7 U.S.C. 1856), the Commodity Credit Corporation transfers to the supplemental stockpile strategic and other materials acquired as a result of barter and exchange of agricultural commodities, other than those acquired for the national stockpile or for other purposes. Appropriations are authorized for the value of materials transferred at the lower of cost or market value at the time of the transfer.

The appropriations requested and included in the bill for fiscal year 1964 for the various foreign assistance programs as compared to 1963 appropriations are as follows:

Item	Appropriations, 1963	Budget estimates, 1964	Recommended in bill for 1964	Bill compared with—	
				Appropriations, 1963	Estimates, 1964
Public Law 480:					
Sales for local currency-----	\$1, 588, 804, 000	\$1, 452, 000, 000	\$1, 452, 000, 000	—\$136, 804, 000	-----
Emergency famine relief-----	250, 000, 000	215, 451, 000	215, 451, 000	—34, 549, 000	-----
Long-term supply contracts-----	40, 000, 000	79, 000, 000	52, 515, 000	+12, 515, 000	—\$26, 485, 000
Total, Public Law 480-----	1, 878, 804, 000	1, 746, 451, 000	1, 719, 966, 000	—158, 838, 000	—26, 485, 000
International Wheat Agreement-----	81, 218, 000	92, 356, 000	86, 218, 000	+5, 000, 000	—6, 138, 000
Bartered materials for supplemental stockpile-----	125, 000, 000	82, 860, 000	82, 860, 000	—42, 140, 000	-----
Total, foreign assistance programs--	2, 085, 022, 000	1, 921, 667, 000	1, 889, 044, 000	—195, 978, 000	—32, 623, 000

The full budget estimates have been provided for sales for foreign currency and emergency famine relief under Public Law 480, and for the bartered materials for the supplemental stockpile program. These amounts are substantially below funds appropriated for fiscal year 1963, including the supplemental funds contained in Public Law 88-1, approved March 6, 1963.

The amount provided for long-term supply contracts under Public Law 480 is a reduction of \$26,485,000 in the budget estimate. It will provide the same amount of funds as made available for fiscal year 1963, \$40 million, plus \$12,515,000 to finance prior year costs not previously covered by appropriated funds.

The amount included in the bill for the international wheat agreement is an increase of \$5 million over fiscal year 1963 appropriations and a reduction of \$6,138,000 in the budget estimate. This amount will provide \$65,562,000 for estimated costs in fiscal year 1964, as compared to \$77,549,844 in fiscal year 1963, and \$20,656,000 for unreimbursed costs for prior years. The volume of shipments in 1964 is estimated at the same level as 1963. However, a decrease in payment rates is expected which will decrease the amount needed for the coming year's program.

The use of foreign ships for the shipment of a portion of commodities under Public Law 480 and other foreign assistance programs has again been brought to the attention of the committee. In view of the balance-of-payments deficit facing the United States, it is recommended that American vessels be used for the shipment of commodities under this program to a much greater extent than at present.

TITLE V—RELATED AGENCIES

FARM CREDIT ADMINISTRATION

Limitation on administrative expenses.—The Administration supervises, examines, and provides facilities and services to a coordinated system of farm credit banks and associations making loans to farmers and their cooperatives. Services and facilities furnished by the Administration facilitate the operations of the several agencies and their progress toward farmer ownership. Typical services are: custody of collateral for bonds and debentures, assistance in financing and investments, credit analysis, development of land appraisal standards and policies, preparation of reports and budgets, and preparation and distribution of information on farm credit. All expenses of these activities are paid by assessments collected from the banks and associations of the farm credit system.

Since December 4, 1953, the Administration has been an independent agency under the direction of a Federal Farm Credit Board (12 U.S.C. 636). The Administration, originally created by Executive Order No. 6084 on May 27, 1933, was transferred to the Department of Agriculture on July 1, 1939, by Reorganization Plan No. 1.

On December 31, 1962, the Administration had 225 full-time employees of whom 105 were in Washington. The 120 field employees are farm loan registrars, reviewing appraisers, and farm credit examiners.

The full budget request of \$2,785,000 is provided for fiscal year 1963, an increase of \$153,500 over the previous fiscal year. The increase is required to meet the additional pay costs during the coming

year, lump-sum leave payments, and other costs which, due to the small number of employees, cannot be absorbed by a delay in filling vacancies. No additional employees are proposed for next year.

TITLE VI—GENERAL PROVISIONS

The general provisions contained in the accompanying bill for fiscal year 1964 are essentially the same as those included in previous appropriation bills.

Section 601 authorizes the purchase of 515 passenger motor vehicles during the coming year. This will permit the replacement of 498 vehicles which have reached the Government-wide replacement standard of 6 years or 60,000 miles. It will also permit the purchase of 17 additional vehicles for the use of the Agricultural Research Service, Soil Conservation Service, Foreign Agricultural Service, and Statistical Reporting Service.

LIMITATIONS AND LEGISLATIVE PROVISIONS

The following limitations and legislative provisions not heretofore carried in any appropriation act are included in the bill:

On page 3, in connection with the Agricultural Research Service:

Provided, That, in addition, not more than \$5,000,000 may be transferred from the Commodity Credit Corporation to this appropriation, in accordance with the Act of June 29, 1948 (15 U.S.C. 714b), for cost of production and other research designed to decrease the present or future investment of the Commodity Credit Corporation in agricultural commodities, such research to be conducted through contracts and grants as authorized by the Act of August 14, 1946, as amended: *Provided further*, That hereafter the Administrator of the Agricultural Research Service may enter into agreements with and receive funds from any State, other political subdivision, organization, or individual for the purpose of conducting cooperative research projects with such cooperators:

On page 16, in connection with removal of surplus agricultural commodities (section 32):

No funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) shall be used for any purpose other than commodity program expenses as authorized therein, and other related operating expenses, except for (1) transfers to the Department of the Interior as authorized by the Fish and Wildlife Act of August 8, 1956, (2) transfers otherwise provided in this Act, (3) not more than \$4,754,000 for formulation and administration of marketing agreements and orders pursuant to the Agricultural Marketing Agreement Act of 1937, as amended, and the Agricultural Act of 1961, (4) not more than \$40,000,000 for expenses for the Pilot Food Stamp Program, and (5) not more than \$25,000,000 for transfer to the Commodity Credit Corporation to be used to increase domestic consumption of any farm com-

modity or farm commodities determined by the Secretary of Agriculture to be in surplus supply and hereafter such sums as may be approved by the Congress shall be available for such purpose.

On page 19, in connection with Expenses, Agricultural Stabilization and Conservation Service:

(including not to exceed \$40,051,000 under the limitation on Commodity Credit Corporation administrative expenses):
Provided further, That other funds made available to Agricultural Stabilization and Conservation Service for authorized activities may be advanced to and merged with this appropriation.

PERMANENT APPROPRIATIONS

Item	Appropriations, 1963	Budget estimates, 1964	Increase or decrease
Agricultural Marketing Service:			
Removal of surplus agricultural commodities (sec. 32)-----	\$318, 068, 537	\$361, 500, 000	+ \$43, 431, 463
Perishable Agricultural Commodities Act fund-----	728, 650	913, 000	+ 184, 350
Total, Agricultural Marketing Service-----	318, 797, 187	362, 413, 000	+ 43, 615, 813
Agricultural Stabilization and Conservation Service: National Wool Act-----	69, 164, 861	69, 000, 000	- 164, 861
Total, permanent appropriations-----	387, 962, 048	431, 413, 000	+ 43, 450, 952

**COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1963 AND ESTIMATES AND AMOUNTS RECOMMENDED
IN BILL FOR 1964**

AGRICULTURAL APPROPRIATIONS, 1964

49

Item	Appropriations, 1963 (including supplementals)	Budget estimates, 1964	Recommended in bill for 1964	Bill compared with—	
				Appropriations, 1963 (including supplementals)	Estimates, 1964
TITLE I—GENERAL ACTIVITIES					
Agricultural Research Service:					
Salaries and expenses:					
Research.....	¹ \$93, 045, 225	² \$97, 163, 675	\$94, 445, 000	+\$1, 399, 775	—\$2, 718, 675
Plant and animal disease and pest control.....	59, 504, 980	65, 148, 000	59, 505, 000	+20	—5, 643, 000
Meat inspection.....	25, 907, 150	28, 502, 000	27, 638, 000	+1, 730, 850	—864, 000
Total.....	³ 178, 457, 355	³ 190, 813, 675	³ 181, 588, 000	+3, 130, 645	—9, 225, 675
Salaries and expenses (special foreign currency program).....	5, 265, 000	2, 500, 000	-----	—5, 265, 000	—2, 500, 000
Total, Agricultural Research Service.....	183, 722, 355	193, 313, 675	181, 588, 000	—2, 134, 355	—11, 725, 675
Cooperative State Experiment Station Service: Payments and expenses.....	38, 262, 950	40, 383, 000	40, 383, 000	+2, 120, 050	-----

¹ Includes \$4,862,675 for marketing research which is merged with this appropriation.

² Includes \$5,009,675 for marketing research and \$1,600,000 for construction of research facilities which are merged with this estimate.

³ In addition, \$1,000,000 reappropriated for contingency fund.

Comparative statement of appropriations for 1963 and estimates and amounts recommended in bill for 1964—Continued

Item	Appropriations, 1963 (including supplementals)	Budget estimates, 1964	Recommended in bill for 1964	Bill compared with—	
				Appropriations, 1963 (including supplementals)	Estimates, 1964
TITLE I—GENERAL ACTIVITIES—Con					
Extension Service:					
Payments to States and Puerto Rico--	\$63, 180, 800	\$64, 590, 000	\$64, 590, 000	+\$1, 409, 200	-----
Retirement costs for extension agents--	6, 765, 000	7, 110, 000	7, 110, 000	+345, 000	-----
Penalty mail-----	2, 801, 250	3, 113, 000	3, 113, 000	+311, 750	-----
Federal Extension Service-----	2, 597, 450	2, 515, 000	2, 500, 000	-97, 450	-\$15, 000
Total, Extension Service-----	75, 344, 500	77, 328, 000	77, 313, 000	+1, 968, 500	-15, 000
Farmer Cooperative Service-----	1, 155, 900	1, 280, 000	1, 195, 000	+39, 100	-85, 000
Soil Conservation Service:					
Conservation operations-----	93, 975, 500	99, 453, 000	97, 480, 000	+3, 504, 500	-1, 973, 000
Watershed protection-----	61, 376, 350	63, 992, 000	63, 222, 000	+1, 845, 650	-770, 000
Flood prevention-----	25, 325, 850	25, 576, 000	25, 465, 000	+139, 150	-111, 000
Great Plains conservation program----	12, 353, 550	14, 640, 000	12, 994, 000	+640, 450	-1, 646, 000
Resource conservation and develop- ment-----	-----	6, 275, 000	1, 200, 000	+1, 200, 000	-5, 075, 000
Total, Soil Conservation Service-----	193, 031, 250	209, 936, 000	200, 361, 000	7, 329, 750	-9, 575, 000

Economic Research Service: Salaries and expenses-----	9, 511, 150	10, 301, 000	9, 832, 000	+ 320, 850	-469, 000
Statistical Reporting Service: Salaries and expenses-----	10, 021, 850	11, 552, 000	11, 079, 000	+ 1, 057, 150	-473, 000
Agricultural Marketing Service:					
Marketing Services-----	⁴ 36, 034, 495	⁵ 37, 895, 325	37, 061, 000	+ 1, 026, 505	-834, 325
Construction of facilities-----		(⁶)			
Payments to States and possessions-----	1, 425, 000	1, 425, 000	1, 425, 000		
Special milk program-----	100, 000, 000	102, 000, 000	100, 000, 000		-2, 000, 000
School lunch program-----	⁷ 125, 000, 000	⁷ 137, 000, 000	⁷ 137, 000, 000	+ 12, 000, 000	
Total, Agricultural Marketing Service-----	262, 459, 495	278, 320, 325	275, 486, 000	+ 13, 026, 505	-2, 834, 325
Foreign Agricultural Service:					
Salaries and expenses-----	⁸ 17, 135, 270	⁸ 19, 039, 000	⁸ 18, 505, 000	+ 1, 369, 730	-534, 000
Salaries and expenses (special foreign currency program)-----	3, 994, 000			-3, 994, 000	
Total, Foreign Agricultural Service-----	21, 129, 270	19, 039, 000	18, 505, 000	-2, 624, 270	-534, 000
Commodity Exchange Authority-----	1, 060, 950	1, 095, 000	1, 093, 000	+ 32, 050	-2, 000

⁴ Excludes \$4,862,675 for marketing research which is merged with "Salaries and expenses, Agricultural Research Service."

⁵ Excludes \$5,009,675 for marketing research which is merged with "Salaries and expenses, Agricultural Research Service."

⁶ Estimate has been considered under "Salaries and expenses, Agricultural Research Service."

⁷ In addition, \$45,000,000 transfer from sec. 32 funds authorized for purchases and distribution of food.

⁸ In addition, \$3,117,000 transfer from sec. 32 funds authorized.

Comparative statement of appropriations for 1963 and estimates and amounts recommended in bill for 1964—Continued

Item	Appropriations, 1963 (including supplementals)	Budget estimates, 1964	Recommended in bill for 1964	Bill compared with—	
				Appropriations, 1963 (including supplementals)	Estimates, 1964
TITLE I—GENERAL ACTIVITIES— Continued					
Agricultural Stabilization and Conserva- tion Service:					
Expenses, Agricultural Stabilization and Conservation Service-----	9 \$95, 423, 000	9 \$114, 944, 000	9 \$105, 737, 000	+ \$10, 314, 000	— \$9, 207, 000
Sugar Act program-----	77, 650, 000	80, 000, 000	78, 000, 000	+ 350, 000	— 2, 000, 000
Agricultural conservation program-----	212, 900, 000	220, 000, 000	215, 000, 000	+ 2, 100, 000	— 5, 000, 000
Conservation reserve program-----	304, 000, 000	294, 000, 000	294, 000, 000	— 10, 000, 000	-----
Land-use adjustment program-----	2, 000, 000	10 19, 000, 000	10, 000, 000	+ 8, 000, 000	— 9, 000, 000
Total, Agricultural Stabilization and Conservation Service-----	691, 973, 000	727, 944, 000	702, 737, 000	+ 10, 764, 000	— 25, 207 000
Office of Rural Areas Development-----	87, 850	134, 000	120, 000	+ 32, 150	— 14, 000
Office of the General Counsel-----	3, 854, 600	3, 987, 000	3, 953, 000	+ 98, 400	— 34, 000
Office of Information-----	1, 662, 220	1, 684, 000	1, 684, 000	+ 21, 780	-----

National Agricultural Library:

Salaries and expenses-----	1, 185, 320	1, 695, 000	1, 420, 000	+ 234, 680	- 275, 000
Library facilities-----	-----	450, 000	450, 000	+ 450, 000	-----
General administration-----	11 3, 397, 000	3, 975, 000	3, 735, 000	+ 338, 000	- 240, 000
Total, title I, general activities-----	1, 497, 859, 660	1, 582, 417, 000	1, 530, 934, 000	+ 33, 074, 340	- 51, 483, 000

TITLE II—CREDIT AGENCIES

Rural Electrification Administration:

Loan authorizations:

Electrification-----	12 (400, 000, 000)	13 (425, 000, 000)	14 (425, 000, 000)	(+ 25, 000, 000)	-----
Telephone-----	(80, 000, 000)	(70, 000, 000)	(70, 000, 000)	(- 10, 000, 000)	-----
Total, loan authorizations-----	(480, 000, 000)	(495, 000, 000)	(495, 000, 000)	(+ 15, 000, 000)	-----
Salaries and expenses-----	10, 442, 200	11, 344, 000	11, 162, 000	+ 719, 800	- 182, 000
Total, Rural Electrification Administration-----	10, 442, 200	11, 344, 000	11, 162, 000	+ 719, 800	- 182, 000

⁹ In addition, transfers from Commodity Credit Corporation provided as follows: Fiscal year 1963, \$81,379,500; fiscal year 1964, \$94,885,000.

¹⁰ Original estimate of \$27,000,000 revised by H. Doc. No. 81, dated Mar. 12, 1963.

¹¹ In addition, \$225,000 transfer from other appropriations authorized.

¹² Includes \$100,000,000 contingency authorization.

¹³ Includes \$75,000,000 contingency authorization.

¹⁴ Includes \$150,000,000 contingency authorization.

Comparative statement of appropriations for 1963 and estimates and amounts recommended in bill for 1964—Continued

Item	Appropriations, 1963 (including supplementals)	Budget estimates, 1964	Recommended in bill for 1964	Bill compared with—	
				Appropriations, 1963 (including supplementals)	Estimates, 1964
TITLE II—CREDIT AGENCIES—Con.					
Farmers Home Administration:					
Direct loan account:					
Real estate loans-----	(\$50, 000, 000)	(\$60, 000, 000)	(\$60, 000, 000)	(+ \$10, 000, 000)	-----
Operating loans-----	¹⁵ (290, 000, 000)	(300, 000, 000)	¹⁵ (300, 000, 000)	(+ 10, 000, 000)	-----
Total, direct loan account-----	(340, 000, 000)	(360, 000, 000)	(360, 000, 000)	(+ 20, 000, 000)	-----
Rural renewal-----	-----	2, 350, 000	1, 000, 000	+ 1, 000, 000	-\$1, 350, 000
Rural housing for the elderly revolving fund-----	1, 000, 000	5, 000, 000	2, 000, 000	+ 1, 000, 000	-3, 000, 000
Salaries and expenses-----	35, 778, 900	39, 367, 000	38, 367, 000	+ 2, 588, 100	-1, 000, 000
Total, Farmers Home Administration-----	36, 778, 900	46, 717, 000	41, 367, 000	+ 4, 588, 100	-5, 350, 000
Total, title II, credit agencies:					
Loan authorizations-----	(820, 000, 000)	(855, 000, 000)	(855, 000, 000)	(+ 35, 000, 000)	-----
Direct appropriation-----	47, 221, 100	58, 061, 000	52, 529, 000	+ 5, 307, 900	-5, 532, 000

TITLE III—CORPORATIONS

Federal Crop Insurance Corporation:

Administrative and operating expenses:-----

Appropriation-----

Premium income-----

Total, Federal Crop Insurance Corporation-----

Commodity Credit Corporation:

Reimbursement for net realized losses-----

Reimbursement for special milk program-----

Limitation on administrative expenses-----

Total, Commodity Credit Corporation-----

Total, title III, corporations-----

6, 799, 000	7, 210, 000	6, 950, 000	+151, 000	-260, 000
(3, 265, 250)	(3, 480, 000)	(3, 530, 000)	(+264, 750)	(+50, 000)
6, 799, 000	7, 210, 000	6, 950, 000	+151, 000	-260, 000
2, 278, 455, 000	2, 799, 400, 000	2, 500, 000, 000	+221, 545, 000	-299, 400, 000
92, 243, 150	-----	-----	-92, 243, 150	-----
(43, 188, 500)	¹⁵ (41, 650, 000)	(41, 650, 000)	(-1, 538, 500)	-----
2, 370, 698, 150	2, 799, 400, 000	2, 500, 000, 000	+129, 301, 850	-299, 400, 000
2, 377, 497, 150	2, 806, 610, 000	2, 506, 950, 000	+129, 452, 850	-299, 660, 000

¹⁵ Includes \$50,000,000 contingency authorization.

¹⁶ Original estimate of \$43,875,000 revised by H. Doc. No. 81, dated March 12, 1963.

Comparative statement of appropriations for 1963 and estimates and amounts recommended in bill for 1964—Continued

Item	Appropriations, 1963 (including supplementals)	Budget estimates, 1964	Recommended in bill for 1964	Bill compared with—	
				Appropriations, 1963 (including supplementals)	Estimates, 1964
TITLE IV—FOREIGN ASSISTANCE PROGRAMS					
Public Law 480:					
Sales for local currency-----	\$1,588,804,000	\$1,452,000,000	\$1,452,000,000	—\$136,804,000	-----
Emergency famine relief-----	250,000,000	215,451,000	215,451,000	—34,549,000	-----
Long-term supply contracts-----	40,000,000	79,000,000	52,515,000	+12,515,000	—\$26,485,000
Total, Public Law 480-----	1,878,804,000	1,746,451,000	1,719,966,000	—158,838,000	—26,485,000
International Wheat Agreement-----	81,218,000	92,356,000	86,218,000	+5,000,000	—6,138,000
Bartered materials for supplemental stock- pile-----	125,000,000	82,860,000	82,860,000	—42,140,000	-----
Total, title IV, foreign assistance programs-----	2,085,022,000	1,921,667,000	1,889,044,000	—195,978,000	—32,623,000

TITLE V—RELATED AGENCIES				
Farm Credit Administration: Limitation on administrative expenses-----	(2, 631, 500)	(2, 785, 000)	(2, 785, 000)	(+ 153, 500)
Total, title V, related agencies-----	(2, 631, 500)	(2, 785, 000)	(2, 785, 000)	(+ 153, 500)
Total appropriations:				
Title I—General activities-----	1, 497, 859, 660	1, 582, 417, 000	1, 530, 934, 000	+ 33, 074, 340
Title II—Credit agencies-----	47, 221, 100	58, 061, 000	52, 529, 000	+ 5, 307, 900
Title III—Corporations-----	2, 377, 497, 150	2, 806, 610, 000	2, 506, 950, 000	+ 129, 452, 850
Title IV—Foreign assistance programs-----	2, 085, 022, 000	1, 921, 667, 000	1, 889, 044, 000	- 195, 978, 000
Title V—Related agencies-----	(2, 631, 500)	(2, 785, 000)	(2, 785, 000)	(+ 153, 500)
Grand total-----	6, 007, 599, 910	6, 368, 755, 000	5, 979, 457, 000	- 28, 142, 910
				- 389, 298, 000

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Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued June 4, 1963
For actions of June 3, 1963
88th-1st; No. 82

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Agricultural appropriations.....	1
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Taxation.....	7
Water rights.....	3

HIGHLIGHTS: House committee reported agricultural appropriation bill. House received State Department proposed bill to implement International Coffee Agreement.

HOUSE

1. AGRICULTURAL APPROPRIATION BILL, 1964. The Appropriations Committee reported this bill, H. R. 6754 (H. Rept. 355) (p. 9371). Attached to this Digest is a copy of the committee report which includes a summary table reflecting committee action on the bill.
2. COFFEE. Received from the State Department a proposed bill "to carry out the obligations of the United States under the International Coffee Agreement, 1962"; to Ways and Means Committee. p. 9371
3. WATER RIGHTS. Received a Inyo County, Calif., Board of Supervisors petition favoring enactment of S. 1275, to clarify the relationship of interests of the U. S. and the States in the use of water. p. 9372
4. LEGISLATIVE PROGRAM. At the request of Rep. Albert, consent was granted for calling the Consent Calendar today, June 4 (instead of June 3, as originally scheduled). p. 9353

ITEMS IN APPENDIX

5. FARM LABOR. Extension of remarks of Rep. Rosenthal inserting an editorial favoring the end of the Mexican farm labor program when present authorizing legislation expires Dec. 31, 1963. p. A3537
6. NATIONAL SERVICE CORPS. Extension of remarks of Rep. Lankford inserting a Hood College Cooperative Association resolution urging establishment of a National Service Corps. p. A3530
7. TAXATION. Extension of remarks of Rep. Griffiths inserting Henry Ford II's remarks urging lower tax rates "to get more growth" by reducing "government actions that interfere with growth." pp. A3530-1
8. OPINION POLL. Extension of remarks of Rep. Younger inserting an opinion poll covering such items as a Domestic Peace Corps and Federal debt limit. pp. A3527-8

BILLS INTRODUCED

9. NATIONAL SERVICE CORPS. H. R. 6718, by Rep. Rosenthal, to provide for a National Service Corps to strengthen community service programs in the United States; to Education and Labor Committee. Remarks of author pp. A3540-1
10. FARM LABOR. H. R. 6719, by Rep. Talcott, to amend title V of the Agricultural Act of 1949, as amended; to Agriculture Committee.
11. FOREIGN TRADE. H. R. 6746, by Rep. McIntire, to regulate agricultural and forestry imports; to Ways and Means Committee.

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COMMITTEE HEARINGS JUNE 4:

Problems of family farms, H. Agriculture (Farmers Union to testify).
Control of pesticides and other chemical poisons, S. Gov't Operations (Rachel Carson to testify).
Creation of National Service Corps, S. Labor and Public Welfare (Secretary Celebrezze to testify).
Radioactive fallout, Jt. Atomic Energy.
Administration's transportation bill, H. Interstate and Foreign Commerce (ICC to testify).
Manpower problems, S. Labor and Public Welfare (Labor Department witnesses).
Authority for licensed attorneys to practice before Federal agencies, S. Judiciary.

Union Calendar No. 141

88TH CONGRESS
1ST SESSION

H. R. 6754

[Report No. 355]

IN THE HOUSE OF REPRESENTATIVES

JUNE 3, 1963

Mr. WHITTEN, from the Committee on Appropriations, reported the following bill; which was committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

Making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the Depart-
5 ment of Agriculture and related agencies for the fiscal
6 year ending June 30, 1964; namely:

1 DEPARTMENT OF AGRICULTURE

2 TITLE I—GENERAL ACTIVITIES

3 AGRICULTURAL RESEARCH SERVICE

4 SALARIES AND EXPENSES

5 For expenses necessary to perform agricultural research
6 relating to production, utilization, marketing, nutrition and
7 consumer use, to control and eradicate pests and plant and
8 animal diseases, and to perform related inspection, quaran-
9 tine and regulatory work, and meat inspection: *Provided*,
10 That appropriations hereunder shall be available for field em-
11 ployment pursuant to the second sentence of section 706 (a)
12 of the Organic Act of 1944 (5 U.S.C. 574), and not to
13 exceed \$75,000 shall be available for employment under
14 section 15 of the Act of August 2, 1946 (5 U.S.C. 55a) :
15 *Provided further*, That appropriations hereunder shall
16 be available for the operation and maintenance of air-
17 craft and the purchase of not to exceed two for
18 replacement only: *Provided further*, That appropria-
19 tions hereunder shall be available pursuant to title 5,
20 United States Code, section 565a, for the construction, alter-
21 ation, and repair of buildings and improvements, but unless
22 otherwise provided, the cost of constructing any one building
23 (except headhouses connecting greenhouses) shall not ex-
24 ceed \$20,000, except for five buildings to be constructed or
25 improved at a cost not to exceed \$40,000 each, and the cost

1 of altering any one building during the fiscal year shall not
2 exceed \$7,500 or 7.5 per centum of the cost of the building,
3 whichever is greater: *Provided further*, That the limitations
4 on alterations contained in this Act shall not apply to a total
5 of \$100,000 for facilities at Beltsville, Maryland:

6 Research: For research and demonstrations on the pro-
7 duction and utilization of agricultural products; agricultural
8 marketing and distribution, not otherwise provided for, in-
9 cluding related cost and efficiency evaluations; home eco-
10 nomics or nutrition and consumer use of agricultural and
11 associated products; and related research and services; and
12 for acquisition of land by donation, exchange, or purchase
13 at a nominal cost not to exceed \$100, \$94,045,000; plus
14 \$400,000, to remain available until expended, for con-
15 struction, alteration, and equipping of facilities; in all
16 \$94,445,000: *Provided*, That, in addition, not more than
17 \$5,000,000 may be transferred from the Commodity Credit
18 Corporation to this appropriation, in accordance with the Act
19 of June 29, 1948 (15 U.S.C. 714b) , for cost of production and
20 other research designed to decrease the present or future invest-
21 ment of the Commodity Credit Corporation in agricultural com-
22 modities, such research to be conducted through contracts and
23 grants as authorized by the Act of August 14, 1946, as
24 amended: *Provided further*, That hereafter the Administrator
25 of the Agricultural Research Service may enter into agree-

1 ments with and receive funds from any State, other political
2 subdivision, organization, or individual for the purpose of
3 conducting cooperative research projects with such coopera-
4 tors: *Provided further*, That the limitations contained herein
5 shall not apply to replacement of buildings needed to carry
6 out the Act of April 24, 1948 (21 U.S.C. 113 (a)) :
7 *Provided further*, That the Secretary of Agriculture is au-
8 thorized to acquire approximately two-tenths of an acre of
9 land at Pasadena, California;

10 Plant and animal disease and pest control: For opera-
11 tions and measures, not otherwise provided for, to control
12 and eradicate pests and plant and animal diseases and for
13 carrying out assigned inspection, quarantine, and regulatory
14 activities, as authorized by law, including expenses pursuant
15 to the Act of February 28, 1947, as amended (21 U.S.C.
16 114b-c) , \$59,505,000, of which \$1,500,000 shall be appor-
17 tioned for use pursuant to section 3679 of the Revised
18 Statutes, as amended, for the control of outbreaks of insects
19 and plant diseases to the extent necessary to meet emer-
20 gency conditions: *Provided*, That no funds shall be used
21 to formulate or administer a brucellosis eradication program
22 for the current fiscal year that does not require minimum
23 matching by any State of at least 40 per centum: *Provided*
24 *further*, That, in addition, in emergencies which threaten the
25 livestock or poultry industries of the country, the Secretary

1 may transfer from other appropriations or funds available
2 to the agencies or corporations of the Department such sums
3 as he may deem necessary, to be available only in such emer-
4 gencies for the arrest and eradication of foot-and-mouth
5 disease, rinderpest, contagious pleuropneumonia, or other
6 contagious or infectious diseases of animals, or European
7 fowl pest and similar diseases in poultry, and for expenses in
8 accordance with the Act of February 28, 1947, as amended,
9 and any unexpended balances of funds transferred under
10 this head in the next preceding fiscal year shall be merged
11 with such transferred amounts;

12 Meat inspection: For carrying out the provisions of laws
13 relating to Federal inspection of meat, and meat-food prod-
14 ucts, and the applicable provisions of the laws relating to
15 process or renovated butter, \$27,638,000.

16 Special fund: To provide for additional labor to be
17 employed under contracts and cooperative agreements to
18 strengthen the work at research installations in the field, not
19 more than \$1,000,000 of the amount appropriated under this
20 head for the previous fiscal year may be used by the Admin-
21 istrator of the Agricultural Research Service in departmental
22 research programs in the current fiscal year, the amount so
23 used to be transferred to and merged with the appropriation
24 otherwise available under "Salaries and expenses, Research".

1 COOPERATIVE STATE EXPERIMENT STATION SERVICE

2 PAYMENTS AND EXPENSES

3 For payments to agricultural experiment stations, for
4 grants for cooperative forestry research, and for other ex-
5 penses, including \$38,113,000 to carry into effect the pro-
6 visions of the Hatch Act, approved March 2, 1887, as
7 amended by the Act approved August 11, 1955 (7 U.S.C.
8 361a-361i), including administration by the United States
9 Department of Agriculture; \$500,000 for payments author-
10 ized under section 204 (b) of the Agricultural Marketing
11 Act of 1946 (7 U.S.C. 1623) ; \$1,000,000 for grants for
12 cooperative forestry research under the Act approved Octo-
13 ber 10, 1962 (76 Stat. 806-807) ; \$310,000 for penalty
14 mail costs of agricultural experiment stations under section 6
15 of the Hatch Act of 1887, as amended; and \$460,000 for
16 necessary expenses of the Cooperative State Experiment Sta-
17 tion Service, including administration of payments to State
18 agricultural experiment stations, funds for employment pursu-
19 ant to the second sentence of section 706 (a) of the Organic Act
20 of 1944 (5 U.S.C. 574) , and not to exceed \$25,000 for em-
21 ployment under section 15 of the Act of August 2, 1946 (5
22 U.S.C. 55a) ; in all, \$40,383,000.

EXTENSION SERVICE

COOPERATIVE EXTENSION WORK, PAYMENTS AND EXPENSES

Payments to States and Puerto Rico: For payments for cooperative agricultural extension work under the Smith-Lever Act, as amended by the Act of June 26, 1953 (7 U.S.C. 341-348), the Act of August 11, 1955 (7 U.S.C. 347a) and the Act of October 5, 1962 (76 Stat. 745), \$63,020,000; and payments and contracts for such work under section 204 (b)-205 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623-1624), \$1,570,000; in all, \$64,590,000: *Provided*, That funds hereby appropriated pursuant to section 3 (c) of the Act of June 26, 1953, shall not be paid to any State or Puerto Rico prior to availability of an equal sum from non-Federal sources for expenditure during the current fiscal year.

Retirement and Employees' Compensation costs for extension agents: For cost of employer's share of Federal retirement and for reimbursement for benefits paid from the Employees' Compensation Fund for cooperative extension employees, \$7,110,000.

Penalty mail: For costs of penalty mail for cooperative extension agents and State extension directors, \$3,113,000.

1 Federal Extension Service: For administration of the
2 Smith-Lever Act, as amended by the Act of June 26, 1953
3 (7 U.S.C. 341-348), the Act of August 11, 1955 (7
4 U.S.C. 347a) and the Act of October 5, 1962 (76 Stat.
5 745), and extension aspects of the Agricultural Marketing
6 Act of 1946 (7 U.S.C. 1621-1627), and to coordinate and
7 provide program leadership for the extension work of the
8 Department and the several States and insular possessions,
9 \$2,500,000.

10 FARMER COOPERATIVE SERVICE

11 SALARIES AND EXPENSES

12 For necessary expenses to carry out the Act of July 2,
13 1926 (7 U.S.C. 451-457), and for conducting research
14 relating to the economic and marketing aspects of farmer
15 cooperatives, as authorized by the Agricultural Marketing
16 Act of 1946 (7 U.S.C. 1621-1627), \$1,195,000.

17 SOIL CONSERVATION SERVICE

18 CONSERVATION OPERATIONS

19 For necessary expenses for carrying out the provisions
20 of the Act of April 27, 1935 (16 U.S.C. 590a-590f),
21 including preparation of conservation plans and establish-
22 ment of measures to conserve soil and water (including
23 farm irrigation and land drainage and such special measures
24 as may be necessary to prevent floods and the siltation of
25 reservoirs) ; operation of conservation nurseries; classifica-

1 tion and mapping of soils; dissemination of information;
2 purchase and erection or alteration of permanent buildings;
3 and operation and maintenance of aircraft, \$97,480,000:
4 *Provided*, That the cost of any permanent building pur-
5 chased, erected, or as improved, exclusive of the cost
6 of constructing a water supply or sanitary system and
7 connecting the same to any such building and with the
8 exception of buildings acquired in conjunction with land
9 being purchased for other purposes, shall not exceed
10 \$2,500, except for one building to be constructed at a cost
11 not to exceed \$25,000 and eight buildings to be constructed
12 or improved at a cost not to exceed \$15,000 per building
13 and except that alterations or improvements to other exist-
14 ing permanent buildings costing \$2,500 or more may be
15 made in any fiscal year in an amount not to exceed \$500
16 per building: *Provided further*, That no part of this appro-
17 priation shall be available for the construction of any such
18 building on land not owned by the Government: *Provided*
19 *further*, That no part of this appropriation may be expended
20 for soil and water conservation operations under the Act of
21 April 27, 1935 (16 U.S.C. 590a-590f), in demonstration
22 projects: *Provided further*, That this appropriation shall be
23 available for field employment pursuant to the second sentence
24 of section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574),

1 and not to exceed \$5,000 shall be available for employment
2 under section 15 of the Act of August 2, 1946 (5
3 U.S.C. 55a) : *Provided further*, That qualified local engi-
4 neers may be temporarily employed at per diem rates to
5 perform the technical planning work of the service.

6 WATERSHED PROTECTION

7 For expenses necessary to conduct surveys, investiga-
8 tions, and research and to carry out preventive measures,
9 including, but not limited to, engineering operations, methods
10 of cultivation, the growing of vegetation, and changes in use
11 of land, in accordance with the Watershed Protection and
12 Flood Prevention Act, approved August 4, 1954, as
13 amended (16 U.S.C. 1001-1008), and the provisions of the
14 Act of April 27, 1935 (16 U.S.C. 590a-f), to remain
15 available until expended, \$63,222,000, with which shall
16 be merged the unexpended balances of funds heretofore ap-
17 propriated or transferred to the Department for watershed pro-
18 tection purposes: *Provided*, That this appropriation shall be
19 available for field employment pursuant to the second sentence
20 of section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574),
21 and not to exceed \$100,000 shall be available for employment
22 under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a) :

1 *Provided further*, That not to exceed \$3,000,000, together
2 with the unobligated balance of funds previously appropriated
3 for loans and related expense, shall be available for such
4 purposes.

5 FLOOD PREVENTION

6 For expenses necessary, in accordance with the Flood
7 Control Act, approved June 22, 1936 (33 U.S.C. 701-709,
8 16 U.S.C. 1006a), as amended and supplemented, and in
9 accordance with the provisions of laws relating to the activities
10 of the Department, to perform works of improvement, includ-
11 ing funds for field employment pursuant to the second sen-
12 tence of section 706 (a) of the Organic Act of 1944 (5 U.S.C.
13 574), and not to exceed \$100,000 for employment under sec-
14 tion 15 of the Act of August 2, 1946 (5 U.S.C. 55a), to remain
15 available until expended; \$25,465,000, with which shall
16 be merged the unexpended balances of funds heretofore
17 appropriated or transferred to the Department for flood
18 prevention purposes: *Provided*, That no part of such funds
19 shall be used for the purchase of lands in the Yazoo and
20 Little Tallahatchie watersheds without specific approval of
21 the county board of supervisors of the county in which such
22 lands are situated: *Provided further*, That not to exceed

1 \$1,000,000, together with the unobligated balance of funds
2 previously appropriated for loans and related expense, shall
3 be available for such purposes.

4 GREAT PLAINS CONSERVATION PROGRAM

5 For necessary expenses to carry into effect a program
6 of conservation in the Great Plains area, pursuant to section
7 16 (b) of the Soil Conservation and Domestic Allotment
8 Act, as added by the Act of August 7, 1956 (16 U.S.C.
9 590p), \$12,994,000, to remain available until expended.

10 RESOURCE CONSERVATION AND DEVELOPMENT

11 For necessary expenses in planning and carrying out
12 projects for resource conservation and development, and for
13 sound land use, pursuant to the provisions of section 32 (e)
14 of title III of the Bankhead-Jones Farm Tenant Act, as
15 amended (7 U.S.C. 1011; 76 Stat. 607), and the provisions
16 of the Act of April 27, 1935 (16 U.S.C. 590a-f), \$1,-
17 200,000, to remain available until expended: *Provided*,
18 That not to exceed \$500,000 of such amount shall be avail-
19 able for loans and related expenses under subtitle A of the
20 Consolidated Farmers Home Administration Act of 1961,
21 as amended: *Provided further*, That this appropriation shall be
22 available for field employment pursuant to the second sentence
23 of section 706 (a) of the Organic Act of 1944 (5 U.S.C.
24 574), and not to exceed \$50,000 shall be available for employ-

ment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

ECONOMIC RESEARCH SERVICE

SALARIES AND EXPENSES

For necessary expenses of the Economic Research Service in conducting economic research and service relating to agricultural production, marketing, and distribution, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627), and other laws, including economics of marketing; analyses relating to farm prices, income and population, and demand for farm products, use of resources in agriculture, adjustments, costs and returns in farming, and farm finance; and for analyses of supply and demand for farm products in foreign countries and their effect on prospects for United States exports, progress in economic development and its relation to sales of farm products, assembly and analysis of agricultural trade statistics and analysis of international financial and monetary programs and policies as they affect the competitive position of United States farm products; \$9,832,000: *Provided*, That not less than \$350,000 of the funds contained in this appropriation shall be available to continue to gather statistics and conduct a special study on the price spread between the farmer and consumer: *Provided further*, That

1 this appropriation shall be available for employment pursuant
2 to the second sentence of section 706 (a) of the Organic Act of
3 1944 (5 U.S.C. 574), and not to exceed \$75,000 shall be
4 available for employment under section 15 of the Act of August
5 2, 1946 (5 U.S.C. 55a) : *Provided further*, That not less than
6 \$145,000 of the funds contained in this appropriation shall be
7 available for analysis of statistics and related facts on foreign
8 production and full and complete information on methods used
9 by other countries to move farm commodities in world trade on
10 a competitive basis.

11 STATISTICAL REPORTING SERVICE

12 SALARIES AND EXPENSES

13 For necessary expenses of the Statistical Reporting
14 Service in conducting statistical reporting and service work,
15 including crop and livestock estimates, statistical coordina-
16 tion and improvements, and marketing surveys, as author-
17 ized by the Agricultural Marketing Act of 1946 (7 U.S.C.
18 1621-1627) and other laws, \$11,079,000: *Provided*, That
19 no part of the funds herein appropriated shall be available
20 for any expense incident to publishing estimates of apple
21 production for other than the commercial crop.

1 AGRICULTURAL MARKETING SERVICE

2 MARKETING SERVICES

3 For expenses necessary to carry on services related to
4 agricultural marketing and distribution as authorized by the
5 Agricultural Marketing Act of 1946 (7 U.S.C. 1621-
6 1627) and other laws, including the administration of mar-
7 keting regulatory acts connected therewith and for adminis-
8 tration and coordination of payments to States; and this appro-
9 priation shall be available for field employment pursuant to sec-
10 tion 706 (a) of the Organic Act of 1944 (5 U.S.C. 574) , and
11 not to exceed \$25,000 shall be available for employment at
12 rates not to exceed \$75 per diem under section 15 of the Act
13 of August 2 1946 (5 U.S.C. 55a), in carrying out sec-
14 tion 201 (a) to 201 (d) , inclusive , of title II of the Ag-
15 ricultural Adjustment Act of 1938 (7 U.S.C. 1291) and
16 section 203 (j) of the Agricultural Marketing Act of 1946;
17 \$37,061,000.

18 PAYMENTS TO STATES AND POSSESSIONS

19 For payments to departments of agriculture, bureaus
20 and departments of markets, and similar agencies for market-

1 ing activities under section 204 (b) of the Agricultural Mar-
2 keting Act of 1946 (7 U.S.C. 1623 (b)), \$1,425,000.

3 SPECIAL MILK PROGRAM

4 For necessary expenses to carry out the Special Milk
5 Program, as authorized by the Act of August 8, 1961 (7
6 U.S.C. 1446, note), \$100,000,000.

7 SCHOOL LUNCH PROGRAM

8 For necessary expenses to carry out the provisions of
9 the National School Lunch Act (42 U.S.C. 1751-1760),
10 \$137,000,000: *Provided*, That no part of this appropria-
11 tion shall be used for nonfood assistance under section 5
12 of said Act: *Provided further*, That \$45,000,000 shall be
13 transferred to this appropriation from funds available under
14 section 32 of the Act of August 24, 1935, for purchase and
15 distribution of agricultural commodities and other foods pur-
16 suant to section 6 of the National School Lunch Act.

17 REMOVAL OF SURPLUS AGRICULTURAL COMMODITIES

18 (SECTION 32)

19 No funds available under section 32 of the Act of August
20 24, 1935 (7 U.S.C. 612c) shall be used for any purpose
21 other than commodity program expenses as authorized
22 therein, and other related operating expenses, except for (1)
23 transfers to the Department of the Interior as authorized by
24 the Fish and Wildlife Act of August 8, 1956, (2) trans-
25 fers otherwise provided in this Act, (3) not more than

1 \$4,754,000 for formulation and administration of marketing
2 agreements and orders pursuant to the Agricultural Market-
3 ing Agreement Act of 1937, as amended, and the Agri-
4 cultural Act of 1961, (4) not more than \$40,000,000 for
5 expenses for the Pilot Food Stamp Program, and (5) not
6 more than \$25,000,000 for transfer to the Commodity
7 Credit Corporation to be used to increase domestic consump-
8 tion of any farm commodity or farm commodities determined
9 by the Secretary of Agriculture to be in surplus supply and
10 hereafter such sums as may be approved by the Congress
11 shall be available for such purpose.

12 FOREIGN AGRICULTURAL SERVICE

13 SALARIES AND EXPENSES

14 For necessary expenses for the Foreign Agricultural
15 Service, including carrying out title VI of the Agricultural
16 Act of 1954 (7 U.S.C. 1761-1768), market development
17 activities abroad, and for enabling the Secretary to coordinate
18 and integrate activities of the Department in connection with
19 foreign agricultural work, including not to exceed \$35,000
20 for representation allowances and for expenses pursuant to
21 section 8 of the Act approved August 3, 1956 (7 U.S.C.
22 1766), \$18,505,000: *Provided*, That not less than \$255,-
23 000 of the funds contained in this appropriation shall be
24 available to obtain statistics and related facts on foreign

1 production and full and complete information on methods
2 used by other countries to move farm commodities in world
3 trade on a competitive basis: *Provided further*, That, in
4 addition, not to exceed \$3,117,000 of the funds appropriated
5 by section 32 of the Act of August 24, 1935, as amended
6 (7 U.S.C. 612c), shall be merged with this appropriation
7 and shall be available for all expenses of the Foreign Agri-
8 cultural Service.

9 COMMODITY EXCHANGE AUTHORITY

10 SALARIES AND EXPENSES

11 For necessary expenses to carry into effect the provi-
12 sions of the Commodity Exchange Act, as amended (7
13 U.S.C. 1-17a), \$1,093,000.

14 AGRICULTURAL STABILIZATION AND CONSERVATION

15 SERVICE

16 EXPENSES, AGRICULTURAL STABILIZATION AND

17 CONSERVATION SERVICE

18 For necessary administrative expenses of the Agricul-
19 tural Stabilization and Conservation Service, including ex-
20 penses to formulate and carry out programs authorized by
21 title III of the Agricultural Adjustment Act of 1938, as
22 amended (7 U.S.C. 1301-1393); Sugar Act of 1948, as
23 amended (7 U.S.C. 1101-1161); sections 7 to 15, 16 (a),
24 16 (d), 16 (e), 16 (f), and 17 of the Soil Conservation and
25 Domestic Allotment Act, as amended (16 U.S.C. 590g-

1 590 (o), 590p (a), and 590q; 76 Stat. 606-607) as added by
2 section 132 of the Act of August 8, 1961; subtitles B and
3 C of the Soil Bank Act (7 U.S.C. 1831-1837, 1802-1814,
4 and 1816); and laws pertaining to the Commodity Credit
5 Corporation, \$105,737,000: *Provided*, That, in addition,
6 not to exceed \$94,885,000 may be transferred to and merged
7 with this appropriation from the Commodity Credit Cor-
8 poration fund (including not to exceed \$40,051,000 under
9 the limitation on Commodity Credit Corporation administra-
10 tive expenses): *Provided further*, That other funds made
11 available to Agricultural Stabilization and Conservation
12 Service for authorized activities may be advanced to and
13 merged with this appropriation.

14 SUGAR ACT PROGRAM

15 For necessary expenses to carry into effect the provi-
16 sions of the Sugar Act of 1948 (7 U.S.C. 1101-1161),
17 \$78,000,000, to remain available until June 30 of the next
18 succeeding fiscal year.

19 AGRICULTURAL CONSERVATION PROGRAM

20 For necessary expenses to carry into effect the program
21 authorized in sections 7 to 15, 16 (a), and 17 of the Soil
22 Conservation and Domestic Allotment Act, approved Feb-
23 ruary 29, 1936, as amended (16 U.S.C. 590g-590 (o),
24 590p (a), and 590q), including not to exceed \$6,000 for
25 the preparation and display of exhibits, including such dis-

1 plays at State, interstate, and international fairs within the
2 United States, \$215,000,000, to remain available until De-
3 cember 31 of the next succeeding fiscal year for compliance
4 with the programs of soil-building and soil- and water-
5 conserving practices authorized under this head in the
6 Department of Agriculture and Related Agencies Appro-
7 priation Acts, 1962 and 1963, carried out during the period
8 July 1, 1961, to December 31, 1963, inclusive: *Provided*,
9 That none of the funds herein appropriated shall be used to
10 pay the salaries or expenses of any regional information
11 employees or any State information employees, but this
12 shall not preclude the answering of inquiries or supplying of
13 information at the county level to individual farmers:
14 *Provided further*, That no portion of the funds for the
15 1964 program may be utilized to provide financial or tech-
16 nical assistance for drainage on wetlands now designated as
17 Wetland Types 3 (III), 4 (IV), and 5 (V) in United
18 States Department of the Interior, Fish and Wildlife Service
19 Circular 39, Wetlands of the United States, 1956: *Pro-*
20 *vided further*, That necessary amounts shall be available for
21 administrative expenses in connection with the formulation
22 and administration of the 1964 program of soil-building and
23 soil- and water-conserving practices, including related wildlife
24 conserving practices, under the Act of February 29, 1936, as
25 amended (amounting to \$250,000,000, including adminis-

1 tration, except that no participant shall receive more than
2 \$2,500, except where the participants from two or more
3 farms or ranches join to carry out approved practices de-
4 signed to conserve or improve the agricultural resources of
5 the community) : *Provided further*, That not to exceed 5 per
6 centum of the allocation for the current year's agricultural
7 conservation program for any county may, on the recom-
8 mendation of such county committee and approval of the
9 State committee, be withheld and allotted to the Soil Con-
10 servation Service for services of its technicians in formulating
11 and carrying out the agricultural conservation program in
12 the participating counties, and shall not be utilized by the
13 Soil Conservation Service for any purpose other than tech-
14 nical and other assistance in such counties, and in addition,
15 on the recommendation of such county committee and ap-
16 proval of the State committee, not to exceed 1 per centum
17 may be made available to any other Federal, State, or local
18 public agency for the same purpose and under the same con-
19 ditions: *Provided further*, That for the current year's pro-
20 gram \$2,500,000 shall be available for technical assistance
21 in formulating and carrying out agricultural conservation
22 practices: *Provided further*, That such amounts shall be
23 available for the purchase of seeds, fertilizers, lime, trees, or
24 any other farming material, or any soil-terracing services,
25 and making grants thereof to agricultural producers to aid

1 them in carrying out farming practices approved by the Sec-
2 retary under programs provided for herein: *Provided further*,
3 That no part of any funds available to the Department, or
4 any bureau, office, corporation, or other agency constituting
5 a part of such Department, shall be used in the current fiscal
6 year for the payment of salary or travel expenses of any
7 person who has been convicted of violating the Act entitled
8 “An Act to prevent pernicious political activities”, approved
9 August 2, 1939, as amended, or who has been found in
10 accordance with the provisions of title 18, United States
11 Code, section 1913, to have violated or attempted to violate
12 such section which prohibits the use of Federal appropria-
13 tions for the payment of personal services or other expenses
14 designed to influence in any manner a Member of Congress
15 to favor or oppose any legislation or appropriation by Con-
16 gress except upon request of any Member or through the
17 proper official channels.

18 CONSERVATION RESERVE PROGRAM

19 For necessary expenses to carry out a conservation re-
20 serve program as authorized by subtitles B and C of the
21 Soil Bank Act (7 U.S.C. 1831-1837, 1802-1814, and
22 1816), and to carry out liquidation activities for the acreage
23 reserve program, to remain available until expended,
24 \$294,000,000, with which may be merged the unexpended

1 balances of funds heretofore appropriated for soil bank
2 programs: *Provided*, That no part of these funds shall be
3 paid on any contract which is illegal under the law due to
4 the division of lands for the purpose of evading limits on
5 annual payments to participants.

6 LAND-USE ADJUSTMENT PROGRAM

7 For necessary expenses to promote the conservation and
8 economic use of land pursuant to the provisions of section
9 16 (e) of the Soil Conservation and Domestic Allotment Act
10 (16 U.S.C. 590h, 590p) , as amended by the Act of Septem-
11 ber 27, 1962 (76 Stat. 606) , \$10,000,000, to remain
12 available until expended.

13 OFFICE OF RURAL AREAS DEVELOPMENT

14 SALARIES AND EXPENSES

15 For necessary expenses, not otherwise provided for, of
16 the Office of Rural Areas Development in providing leader-
17 ship, coordination, liaison, and related services in the rural
18 areas development activities of the Department, \$120,000:
19 *Provided*, That this appropriation shall be available for field
20 employment pursuant to the second sentence of section
21 706 (a) of the Organic Act of 1944 (5 U.S.C. 574) , and not
22 to exceed \$3,000 shall be available for employment under
23 section 15 of the Act of August 2, 1946 (5 U.S.C. 55a) .

1 OFFICE OF THE GENERAL COUNSEL

2 SALARIES AND EXPENSES

3 For necessary expenses, including payment of fees or
4 dues for the use of law libraries by attorneys in the field
5 service, \$3,953,000.

6 OFFICE OF INFORMATION

7 SALARIES AND EXPENSES

8 For necessary expenses of the Office of Information for
9 the dissemination of agricultural information and the coordi-
10 nation of informational work and programs authorized by
11 Congress in the Department, \$1,684,000, of which total
12 appropriation not to exceed \$537,000 may be used for
13 farmers' bulletins, which shall be adapted to the interests
14 of the people of the different sections of the country, an
15 equal proportion of four-fifths of which shall be delivered to
16 or sent out under the addressed franks furnished by the
17 Senators, Representatives, and Delegates in Congress, as
18 they shall direct (7 U.S.C. 417), and not less than two
19 hundred and thirty-two thousand two hundred and fifty
20 copies for the use of the Senate and House of Representatives
21 of part 2 of the annual report of the Secretary (known as
22 the Yearbook of Agriculture) as authorized by section 73
23 of the Act of January 12, 1895 (44 U.S.C. 241) : *Provided*,
24 That in the preparation of motion pictures or exhibits by the
25 Department, this appropriation shall be available for em-

1 ployment pursuant to the second sentence of section 706 (a)
2 of the Organic Act of 1944 (5 U.S.C. 574), and not to
3 exceed \$10,000 shall be available for employment under
4 section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

5 NATIONAL AGRICULTURAL LIBRARY

6 SALARIES AND EXPENSES

7 For necessary expenses of the National Agricultural
8 Library, \$1,420,000.

9 LIBRARY FACILITIES

10 For the preparation of plans, specifications, and draw-
11 ings for the National Agricultural Library, \$450,000, to
12 remain available until expended.

13 GENERAL ADMINISTRATION

14 SALARIES AND EXPENSES

15 For necessary expenses of the Office of the Secretary
16 of Agriculture and for general administration of the Depart-
17 ment of Agriculture, including expenses of the National Agri-
18 cultural Advisory Commission; repairs and alterations; and
19 other miscellaneous supplies and expenses not otherwise pro-
20 vided for and necessary for the practical and efficient work
21 of the Department of Agriculture, \$3,735,000: *Provided*,
22 That this appropriation shall be reimbursed from applicable
23 appropriations for travel expenses incident to the holding of
24 hearings as required by the Administrative Procedures Act
25 (5 U.S.C. 1001): *Provided further*, That not to exceed

1 \$2,500 of this amount shall be available for official reception
2 and representation expenses, not otherwise provided for, as
3 determined by the Secretary.

4 TITLE II—CREDIT AGENCIES

5 RURAL ELECTRIFICATION ADMINISTRATION

6 To carry into effect the provisions of the Rural Electri-
7 fication Act of 1936, as amended (7 U.S.C. 901-924), as
8 follows:

9 LOAN AUTHORIZATIONS

10 For loans in accordance with said Act, and for carrying
11 out the provisions of section 7 thereof, to be borrowed from
12 the Secretary of the Treasury in accordance with the provi-
13 sions of section 3 (a) of said Act, as follows: Rural electrifi-
14 cation program, \$425,000,000, of which \$150,000,000 shall
15 be placed in reserve to be borrowed under the same terms
16 and conditions to the extent that such amount is required
17 during the current fiscal year under the then existing con-
18 ditions for the expeditious and orderly development of the
19 rural electrification program; and rural telephone program,
20 \$70,000,000.

21 SALARIES AND EXPENSES

22 For administrative expenses, including not to exceed
23 \$500 for financial and credit reports, funds for employment
24 pursuant to the second sentence of section 706 (a) of the
25 Organic Act of 1944 (5 U.S.C. 574), and not to exceed

1 \$150,000 for employment under section 15 of the Act of
2 August 2, 1946 (5 U.S.C. 55a), \$11,162,000.

3 FARMERS HOME ADMINISTRATION

4 DIRECT LOAN ACCOUNT

5 Direct loans and advances under subtitles A and B, and
6 advances under section 335 (a) for which funds are not
7 otherwise available, of the Consolidated Farmers Home Ad-
8 ministration Act of 1961 (7 U.S.C. 1921), as amended,
9 may be made from funds available in the Farmers Home
10 Administration direct loan account as follows: real estate
11 loans, \$60,000,000; and operating loans, \$300,000,000, of
12 which \$50,000,000 shall be placed in reserve to be used
13 only to the extent required during current fiscal year under
14 the then existing conditions for the expeditious and orderly
15 conduct of the loan program.

16 RURAL RENEWAL

17 For necessary expenses, including administrative ex-
18 penses, in carrying out rural renewal activities under sec-
19 tion 32 (e) of title III of the Bankhead-Jones Farm Tenant
20 Act, as amended, \$1,000,000.

21 RURAL HOUSING FOR THE ELDERLY REVOLVING FUND

22 For loans pursuant to section 515 (a) of the Housing
23 Act of 1949, as amended (42 U.S.C. 1484; 76 Stat. 671),
24 including advances pursuant to section 335 (a) of the Con-
25 solidated Farmers Home Administration Act of 1961 (7

1 U.S.C. 1985) in connection with security for such loans,
2 \$2,000,000.

3 SALARIES AND EXPENSES

4 For necessary expenses of the Farmers Home Admin-
5 istration, not otherwise provided for, in administering the
6 programs authorized by the Consolidated Farmers Home
7 Administration Act of 1961 (7 U.S.C. 1921), as amended,
8 title V of the Housing Act of 1949, as amended (42 U.S.C.
9 1471-1484), and the Rural Rehabilitation Corporation Trust
10 Liquidation Act, approved May 3, 1950 (40 U.S.C. 440-
11 444) ; \$38,367,000, together with not more than \$1,050,-
12 000 of the charges collected in connection with the insurance
13 of loans as authorized by section 309 (e) of the Consolidated
14 Farmers Home Administration Act of 1961, as amended,
15 and section 514 (b) (3) of the Housing Act of 1949, as
16 amended: *Provided*, That, in addition, not to exceed
17 \$500,000 of the funds available for the various programs
18 administered by this Agency may be transferred to this
19 appropriation for temporary field employment pursuant to the
20 second sentence of section 706 (a) of the Organic Act of 1944
21 (5 U.S. C. 574) to meet unusual or heavy workload increases.

22 TITLE III—CORPORATIONS

23 The following corporations and agencies are hereby
24 authorized to make such expenditures, within the limits of
25 funds and borrowing authority available to each such cor-

poration or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for such corporation or agency, except as hereinafter provided:

FEDERAL CROP INSURANCE CORPORATION

ADMINISTRATIVE AND OPERATING EXPENSES

For administrative and operating expenses, \$6,950,000.

FEDERAL CROP INSURANCE CORPORATION FUND

Not to exceed \$3,530,000 of administrative and operating expenses may be paid from premium income.

COMMODITY CREDIT CORPORATION

REIMBURSEMENT FOR NET REALIZED LOSSES

To reimburse the Commodity Credit Corporation for net realized losses sustained during the fiscal year ending June 30, 1962, pursuant to the Act of August 17, 1961 (15 U.S.C. 713a-11, 713a-12), \$2,500,000,000.

LIMITATION ON ADMINISTRATIVE EXPENSES

Nothing in this Act shall be so construed as to prevent the Commodity Credit Corporation from carrying out any activity or any program authorized by law: *Provided*, That not to exceed \$41,650,000 shall be available for administrative expenses of the Corporation: *Provided fur-*

1 *ther*, That \$1,000,000 of this authorization shall be avail-
2 able only to expand and strengthen the sales program of the
3 Corporation pursuant to authority contained in the Corpora-
4 tion's charter: *Provided further*, That not less than 7 per
5 centum of this authorization shall be placed in reserve to be
6 apportioned pursuant to section 3679 of the Revised Statutes,
7 as amended, for use only in such amounts and at such
8 times as may become necessary to carry out program opera-
9 tions: *Provided further*, That all necessary expenses (includ-
10 ing legal and special services performed on a contract or fee
11 basis, but not including other personal services) in connec-
12 tion with the acquisition, operation, maintenance, improve-
13 ment, or disposition of any real or personal property
14 belonging to the Corporation or in which it has an interest,
15 including expenses of collections of pledged collateral, shall
16 be considered as nonadministrative expenses for the purposes
17 hereof.

18 TITLE IV—FOREIGN ASSISTANCE PROGRAMS

19 PUBLIC LAW 480

20 For expenses during fiscal year 1964, not otherwise
21 recoverable, and unrecovered prior years' costs, including
22 interest thereon, under the Agricultural Trade Development
23 and Assistance Act of 1954, as amended (7 U.S.C. 1701-
24 1709, 1721-1724, 1731-1736), to remain available until
25 expended, as follows: (1) Sale of surplus agricultural com-

1 commodities for foreign currencies pursuant to title I of said
2 Act, \$1,452,000,000; (2) commodities disposed of for
3 emergency famine relief to friendly peoples pursuant to
4 title II of said Act, \$215,451,000; and (3) long-term sup-
5 ply contracts pursuant to title IV of said Act, \$52,515,000.

6 INTERNATIONAL WHEAT AGREEMENT

7 For expenses during fiscal year 1964 and unrecovered
8 prior years' costs, including interest thereon, under the In-
9 ternational Wheat Agreement Act of 1949, as amended
10 (7 U.S.C. 1641-1642), \$86,218,000, to remain available
11 until expended.

12 BARTERED MATERIALS FOR SUPPLEMENTAL STOCKPILE

13 For expenses during fiscal year 1964 and unrecovered
14 prior years' costs related to strategic and other materials
15 acquired as a result of barter or exchange of agricultural
16 commodities or products and transferred to the supplemental
17 stockpile pursuant to Public Law 540, Eighty-fourth Congress
18 (7 U.S.C. 1856), \$82,860,000, to remain available until
19 expended.

20 TITLE V—RELATED AGENCIES

21 FARM CREDIT ADMINISTRATION

22 LIMITATION ON ADMINISTRATIVE EXPENSES

23 Not to exceed \$2,785,000 (from assessments collected
24 from farm credit agencies) shall be obligated during the cur-
25 rent fiscal year for administrative expenses.

1 TITLE VI—GENERAL PROVISIONS

2 SEC. 601. Within the unit limit of cost fixed by law,
3 appropriations and authorizations made for the Department
4 under this Act shall be available for the purchase, in addi-
5 tion to those specifically provided for, of not to exceed five
6 hundred and fifteen passenger motor vehicles, of which four
7 hundred and ninety-eight shall be for replacement only, and
8 for the hire of such vehicles.

9 SEC. 602. Provisions of law prohibiting or restricting
10 the employment of aliens shall not apply to employment
11 under the appropriation for the Foreign Agricultural Service.

12 SEC. 603. Funds available to the Department of Agri-
13 culture shall be available for uniforms or allowances therefor
14 as authorized by the Act of September 1, 1954, as amended
15 (5 U.S.C. 2131).

16 SEC. 604. No part of the funds appropriated by this Act
17 shall be used for the payment of any officer or employee of
18 the Department who, as such officer or employee, or on
19 behalf of the Department or any division, commission, or
20 bureau thereof, issues, or causes to be issued, any prediction,
21 oral or written, or forecast, except as to damage threatened
22 or caused by insects and pests, with respect to future prices
23 of cotton or the trend of same.

1 SEC. 605. Except to provide materials required in or
2 incident to research or experimental work where no suitable
3 domestic product is available, no part of the funds appro-
4 priated by this Act shall be expended in the purchase of
5 twine manufactured from commodities or materials produced
6 outside of the United States.

7 SEC. 606. Not less than \$1,500,000 of the appropria-
8 tions of the Department for research and service work author-
9 ized by the Acts of August 14, 1946, July 28, 1954, and
10 September 6, 1958 (7 U.S.C. 427, 1621-1629; 42 U.S.C.
11 1891-1893), shall be available for contracting in accordance
12 with said Acts.

13 This Act may be cited as the "Department of Agricul-
14 ture and Related Agencies Appropriation Act, 1964".

88TH CONGRESS
1ST SESSION

H. R. 6754

[Report No. 355]

A BILL

Making appropriations for the Department of
Agriculture and related agencies for the
fiscal year ending June 30, 1964, and for
other purposes.

By Mr. WHITTEN

JUNE 3, 1963

Committed to the Committee of the Whole House on
the State of the Union and ordered to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued June 7, 1963
For actions of June 6, 1963
88th-1st, No. 85

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HIGHLIGHTS: House passed USDA appropriation bill. House committee reported cotton bill. Rep. Schwengel urged support for new wheat-feed grains legislation. Sen. McGovern inserted President's and Secretary's addresses before World Food Congress. Sen. Fulbright deplored Common Market decision on poultry tariff. Sen. Symington discussed fall in cattle prices. Sen. Moss said Government should protect tobacco consumers. Sen. Kefauver and others introduced and discussed bill to establish Office of Consumers.

HOUSE

1. **AGRICULTURAL APPROPRIATION BILL, 1964.** By a vote of 288 to 79, passed with an amendment this bill, H. R. 6754 (pp. 9787-9838). By a vote of 119 to 99, agreed to an amendment by Rep. Gross to provide that none of these funds shall be used directly or indirectly for the establishment of a national service corps or similar domestic peace corps type of program (pp. 9835-7).

Rejected the following amendments:

- By Rep. Moorhead, 108 to 120, to reduce the 1964 ACP advance authorization from \$250 million to \$150 million. pp. 9824-9
- By Rep. Becker, 53 to 140, to strike out the \$425 million loan authorization for REA. pp. 9831-2

By Rep. Michel, 84 to 111, to reduce the REA loan authorization from \$425 million to \$400 million. pp. 9832-4

By Rep. Becker, to reduce the REA loan authorization from \$425 million to \$275 million by eliminating the \$150 million ear-marked to be placed in reserve. pp. 9834-5

By Rep. Pelly, 87 to 105, to strike out the \$1 million item for FHA for rural renewal activities. p. 9835

By Rep. Findley, 105 to 131, to prohibit the use of funds to pay the salary of any employee who negotiates agreements or contracts or who performs duties incidental to supporting the price of Upland Middling Inch cotton at a level in excess of 30 cents a pound. pp. 9836-7

2. COTTON. The Agriculture Committee reported with amendment a cotton bill, H. R. 6196 (H. Rept. 366). p. 9853
Rep. Findley expressed concern over provisions in the cotton bill (H. R. 6196) to provide for increased cotton research and inserted tables on expenditures for cotton research by this Department for fiscal years 1960-64. pp. 9846-7
3. WHEAT; FEED GRAINS. Rep. Schwengel urged support for new wheat-feed grains legislation and inserted an editorial supporting such legislation. pp. 9847-8
4. FARM LABOR. Rep. Cohelan inserted a letter from an Ariz. farm operator supporting discontinuation of the Mexican farm labor program. p. 9843
Rep. Hutchinson inserted an article on "the violent reaction in Mexico to the defeat of the Mexican farm labor bill." p. 9842
5. LEGISLATIVE BRANCH APPROPRIATION BILL, 1964. The Appropriations committee reported this bill, H. R. 6868 (H. Rept. 369). p. 9853
6. ELECTRIFICATION. Rep. Harding commended the order of Secretary of the Interior Udall including southern Idaho in the Bonneville Power marketing area. pp. 9840-1
7. FOREIGN AID. Rep. Meader inserted an editorial commending his proposal to establish a Commission on Foreign Economic Development to study the foreign aid program. p. 9848
8. PERSONNEL. Rep. Tollefson spoke in favor of his bill, H. R. 6538, to provide that district courts shall have original jurisdiction, concurrent with the Court of Claims, over civil actions or claims for a pension or for recovery of fees, salary, or compensation of Federal employees. pp. 9848-9
9. EDUCATION. The Education and Labor Committee voted to report (but did not actually report) "H. R. 4955 (amended, regarding vocational education aspects (title V-A) of H. R. 3000, the National Education Improvement Act," and the Special Subcommittee of the Education and Labor Committee voted to report to the full Committee "H. R. 3510, regarding Federal contributions to institutions of higher education where segregation is practiced." p. D404
10. ECONOMIC GROWTH. Rep. Langen inserted an article on the relationship of profits to economic growth. pp. 9842-3
11. LEGISLATIVE PROGRAM. Rep. Albert announced that the Area Redevelopment Act amendments bill will be considered next Wed., and the excise tax rate extension bill on Thurs. p. 9846
12. ADJOURNED until Mon., June 10. p. 9852

The SPEAKER. Evidently, a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 71]

Ashley	Gubser	Rivers, S.C.
Aspinall	Hagen, Calif.	Roberts, Ala.
Baring	Harbeck	Rogers, Tex.
Bates	Harley, Mich.	Roybal
Battin	Healey	Ryan, Mich.
Bell	Hébert	St Germain
Buckley	Hollfield	Scott
Cederberg	Jones, Ala.	Shelley
Clausen	Lesinski	Sibal
Curtin	McClory	Skubitz
Davis, Tenn.	McLoskey	Staebler
Dawson	Mailliard	Thompson, N.J.
Diggs	Miller, N.Y.	Thomson, Wis.
Dingell	Montoya	Trimble
Edmondson	Morris	Udall
Foreman	Nedzi	Van Deerlin
Forrester	O'Hara, Mich.	Wallhauser
Gill	Powell	Westland
Goodell	Rains	Whitener
Gray	Rivers, Alaska	Williams

The SPEAKER. On this rollcall, 370 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATION BILL, 1964

Mr. WHITTEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6754) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate on the bill be limited to not to exceed 3 hours, one-half of that time to be controlled by the gentleman from Washington [Mr. HORAN] and one-half by myself.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Mississippi.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 6754, with Mr. KEOGH in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. WHITTEN. Mr. Chairman, I yield myself such time as I may need.

(Mr. WHITTEN asked and was given permission to revise and extend his remarks.)

Mr. WHITTEN. Mr. Chairman, we bring you today the appropriation bill for the coming fiscal year for all of the activities that are grouped under the Department of Agriculture. As I expressed it in the Committee on Appropriations earlier in the week, when I went

on this subcommittee quite a number of years ago I did so with a great deal of pride, knowing how important it was to the farm population of the United States. They were quite numerous and it gave me an opportunity to do much for many of the people who were my constituents as well as those throughout the Nation.

With time the picture has greatly changed. The numbers now on the farm are something like 8 percent of the population. Not only that, but it has gotten to the point where the 92 percent of the American public are in the cities and removed from the farm. However, the challenge that has come to me is just as great today as it was the day I started serving on this committee, because the challenge is to try to look after those things that are done within the Department of Agriculture today, which might well be termed the very basis of the prosperity of the 92 percent of the non-farmers in this country.

What I am saying to you is that this bill might well be termed the "Basic Security Act for 185 million Americans." And let me tell you why I say that. This Nation is spending 63 percent of the total governmental income on national defense and related activities, and yet we have not seen any reduction in our standard of living. No nation in history ever went through that experience.

Because of the wonderful job that is being done on the farms of the United States of America, a large majority of our total population is free to live in cities, to produce television, radio sets, and the million and one things that make up our high standard of living.

Not only that, but this 8 percent on the farm provides this food, shelter, and clothing at such a reasonable rate that our 185 million Americans pay about 20 percent of their gross income for food, which no nation in the world can match.

When I come to you here today as chairman and spokesman for the Subcommittee on Appropriations I do so with pride, knowing that our subcommittee cannot resolve all differences in that we cannot satisfy the press and those others who naturally are writing for the 92 percent of nonfarmers. They do not have the time to read all our hearings and go into just what is involved here. But in bringing this bill here I will tell you that our subcommittee has done its best to resolve the differences of opinion and to be certain that the funds in this bill go to the things that are essential for the future.

Last year we had 173 million people come into and go out of the United States. That includes those that cross the borders of Canada and Mexico. We had something like 23.5 million pieces of baggage brought into this country. We know that every day there is a tremendous increase in the number of jet planes traveling from where the worst diseases that might prevail in any spot in the world might end up in your part of the country in 5 or 6 hours from the time they leave from abroad.

What does that mean to us? It leaves us with the problem of seeing that these diseases are destroyed and that the pos-

sible carriers of diseases are checked thoroughly to see that these diseases do not get in here.

As our population has grown and as the livestock industry has changed and the stockyards have been distributed, we have the problem of inspecting every piece of meat that goes onto your table. Not only that, but if this Department did not have research on wheat, for instance, in 5 years the wheat we now have would be gone and we would be going hungry. We have to stay 5 years ahead to have a strain of wheat that would be immune to diseases, which will continue to attack it.

We read in the press about how expensive the operations of the Department of Agriculture may be. But remember that you cannot deal with agriculture as a thing apart, neither can you afford to take it for granted that food, clothing, and shelter are no longer basic. They are just as basic today as they were in the beginning. Not only that, but as people have left the farms of the country, they have had to be replaced by machinery and other things at a tremendous financial investment. In fact, the amount of money required to operate a farm has grown by 700 percent in a few years. It takes about \$47,000 on the average to operate a farm today; in 1940 it took only \$6,000. A few years ago a man on a farm could have seven crop failures and still be in business. Today if he loses a crop 1 year he is out of business.

We are here presenting a bill to you that represents the 8 percent who are using the equipment, machinery, and all the other things that go to operate these farms. We are dealing in this bill with that part of our Government that looks after protecting our natural resources for the future. We here present to you the basic thing on which all the rest must depend.

Let me point out one or two facts to you. You have to deal with agriculture in connection with labor and in connection with industry. You are going to have to keep a balance among the three for the benefit of the general population and welfare of each of the segments of our economy. In the bill we present to you, there is only about one-twelfth as much as we are spending for national defense.

In this bill there is only the same amount that we are spending each year on international affairs. Yes, and may I say it is almost exactly the same amount we are spending this year trying to get a man on the moon. Now, we are entitled to make comparisons to see whether we are doing too much and paying too much and looking after and taking care of those basic things upon which all the rest of our economy is built.

I think all of you realize that my experience and my voting record here would indicate that I believe in a balanced budget. I believe in maintaining the stability of our monetary system. But I say candidly to you that if we will look after this country of ours and if we look after our rivers and harbors and our streams, and if we develop our roads

and our schools and buildings and all these other material things, then our children and our grandchildren can protect their own financial system if they have to. But if you let the things that are included in this bill go by the board—if you let our trees die out, and if you let our watersheds wash away, and if you let all those things that create our real wealth disappear from the earth, then you can have a budget as black and as wide as from here to the other end of the Capitol; but if you do not have a country behind it, what good would it be?

I want to say we have worked hard on this bill this year trying to hold things in line. We worked hard trying to help the American people and in protecting our sources of food, fiber and clothing and in trying to protect ourselves against the importation of disease and pestilence, and in trying to see that a fair share of what we produce goes back into the soil so as to protect future generations of Americans. Of course, we cannot say we have been perfect or have been completely successful but we have done the best we can.

We bring to you a bill that is some \$389 million below the budget estimate. Frankly, quite a bit of that is due to a reduction in funds for the Commodity Credit Corporation, that huge corporation which carries the burden of our price supports. But it is made possible, because they have followed what we have urged them to do in the past, and that is to sell on the market these commodities that they have so to make those funds available, to discharge their responsibilities.

The bill before you is about \$28 million less than last year. They came before our committee and showed that we do have this increased need for meat inspection and we have these river survey projects that are tied in with the Department of the Interior and the Corps of Engineers and the Department of Agriculture. There are many, many places where we have new laboratories which, in turn, have to have personnel. Of course without the necessary personnel, you would be wasting your money on the laboratories. But I do say to you out of about 1,200 new employees that were requested in the budget, we scaled the number down to a net increase of 180.

I repeat again, in this situation where American farmers numerically are so few—it is a challenge to sell to the Congress and to the American people the fact that it is their business—the business of the entire American people—that we are dealing with and not just the business of a handful of people who still live on the farm. We are dealing with the very basis of the standard of living of all Americans, trying to make it possible for Congress to do the things that we have to do in the name of defense, sending a man to the moon, and all the rest of these things. Yes, this is basically the bill that is before you. I repeat again—we have held things in line.

Mr. Chairman, I would pay tribute here to the hard-working members of our subcommittee. This is our first bill

where my colleague, Hon. WALT HORAN, has been ranking minority member. He is a fine Congressman, well versed in agriculture. Though we have missed Congressmen Marshall, Andersen, and others who have helped us in the past, BILL NATCHER, of Kentucky, has rendered real service as usual. The only new member on our subcommittee this year is the gentleman from New York, Congressman ADDABBO. I say candidly that some years ago when the first member from the city of New York, Fred Santangelo, was put on the committee, who was my personal friend and a fine person, the question arose in the minds of some as to why a man from the city of New York would be interested or why he would be chosen to serve on a committee dealing strictly with farm appropriation bills. But, I think you will realize that in this day and time, when 185 million Americans look to agriculture, and all of us must, and where more than 50 percent of the amount carried in this bill is for things not connected solely with farming, but has to do more with protection of public health and with all the many things that are so important to all consumers, then I do not think there is anything more fitting than to have a representative or representatives from the consuming areas of our nation on the agriculture appropriations subcommittee.

I do not mean to overlook my friend BOB MICHEL. We differ in viewpoint at times but he is a real and fine gentleman who backs his own viewpoint.

I mean that from the bottom of my heart. I say if that is going to be the situation and recognized—and I am glad to see our leaders do recognize it—we are proud to have our new colleague, the gentleman from New York [Mr. ADDABBO], on the committee because the gentleman does understand the consumer aspect of these matters. I think it is well for us to understand his problems and the problems of his area. I further think it is good for him to have an opportunity to see how closely tied in the operations of this Department are to the welfare of all Americans.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I am glad to yield to the gentleman from Iowa.

Mr. SMITH of Iowa. As the gentleman said, of course, a big chunk of this bill is for consumer services including items for poultry inspection and meat inspection. I noticed a reference in the report which indicated the advisability of getting these two types of inspections together in some way. The report mentioned the possibility of placing them under the Marketing Service. I wonder if the gentleman would expand on that a little bit more, as to whether the gentleman was concerned that it would be under the Marketing Service or that those two matters of inspection would be placed under the same service?

Mr. WHITTEN. I appreciate the question of my colleague, the gentleman from Iowa, Mr. SMITH.

The gentleman will doubtless remember that a few years ago when poultry inspection became compulsory—up until

that time it had been voluntary—about two-thirds of the processors were using it. This subcommittee brought all funds for inspections out together in one appropriation. There seemed to be a certain understanding with the packing industry that that would not be done. We were not aware of that. We have felt, with the passage of time, that the fears of the poultry processors that they would be taken over by the so-called red meat side of the meat inspection has subsided.

Not only that, but with the high cost of this inspection service, which is for the good of all, there clearly could be a coordination and joint handling of the matter at the supervisory level, from there on up to the top.

I will say to the gentleman that our report is not a directive. It just raises the question, and I would have to say candidly, that many of those who have studied it and have looked at the subject, feel that inspection of the actual carcass is directed to letting it go on into the retail market and is not research. It has been under the research service; yes, but it is not research.

Mr. Chairman, it strikes me that it is a part of the marketing program. Everyone I know in the research service who has anything to do with meat inspection has the highest regard and opinion for the people who do this.

We are not sticklers for having it done one way or the other. We are not insisting that they bring the two together, but we do think that we see signs that it should be considered. Certainly with meat inspection demands up to the \$30 million level, we need to see if it could not be coordinated with poultry inspection, as long as the public health is protected.

Mr. SMITH of Iowa. I thank the gentleman.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Virginia.

Mr. GARY. Do I understand that this bill does not require the transfer of the Meat Inspection Service from the Research Division to the Marketing Service?

Mr. WHITTEN. Oh, no. It just merely raises the question in the report as to the possibility. We did not even go so far as to insist that it was sound. But, when you get inspections on top of inspections and you have services in the same community, one checking poultry and another checking beef, as well as checking supervisors up above, and another group checking that, it strikes me that it is a subject which should be explored.

Mr. GARY. If the gentleman will yield further, I am a great believer in exploring any opportunity for consolidating and bringing about efficiency and economy in operation. But I received a telephone call from one of my constituents this morning, who was very much upset, first, because of the reduction that was made in the meat inspection appropriation request, and I told him I thought that was a part of the general economy program.

Mr. WHITTEN. May I say to the gentleman from Virginia that all of us have had some wires about the cut from what was requested by the Bureau of the Budget.

This bill carries money for 92 additional inspectors. It carries that much money above what we had last year. So, they have a substantial increase.

There is another thing that makes some of our packer friends put the pressure on us. Under the procedures that the packing industry uses, they pay for overtime. It is to the packer's interest to wait, and in that way they do not have to have any overtime or have to carry any part of the cost at all. You have to take some of these pressures with an understanding that it is to their interest. I have received telegrams too. We are not trying to pass the cost over to them; we are trying to hold it in some degree of balance.

Mr. GARY. Mr. Chairman, will the gentleman yield further?

Mr. WHITTEN. I yield to the gentleman from Virginia.

Mr. GARY. I may say to the gentleman that I am a strong advocate of economy and when I saw from your report the increase over last year's appropriation it struck me that the cut was not unreasonable. I was somewhat apprehensive, however, when I was told that the bill transferred meat inspection from one department to another, and that prompted this inquiry.

Mr. WHITTEN. It does not insist that the Department do that. We just raise the question.

Mr. GARY. That is in the committee report?

Mr. WHITTEN. That is in the report, yes.

Mr. GARY. There is nothing in the bill with reference to the transfer? It is only in the report of the committee?

Mr. WHITTEN. And there we just raised the question.

Mr. GARY. I thank the gentleman for this information.

Mr. HORTON. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from New York.

Mr. HORTON. Is there any transfer of funds in this bill from the Meat Inspection Division to the Marketing Division?

Mr. WHITTEN. None whatever.

Mr. HORTON. The gentleman assures us there is no transfer of funds. It is a recommendation that a study be made to consolidate the service in this respect?

Mr. WHITTEN. That is all it amounts to.

Mr. HORTON. I have also received telegrams, and people have talked to me about this matter of reduction of the amount in the budget for meat inspection. Do I understand from the gentleman that this will not reduce the number of inspectors?

Mr. WHITTEN. It will increase by 92 the number of inspectors over this year. It is about 30 percent less than the budget, but it is an increase over this year.

Mr. HORTON. I thank the gentleman.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from North Dakota.

Mr. SHORT. I thank the gentleman from Mississippi for yielding, and may I commend him for bringing out, as usual, a good agricultural appropriation bill. This is a most difficult assignment as any of us who are associated with agriculture knows. I think the gentleman does an excellent job of doing the best he can.

Since this question of meat inspection has been brought up, I believe the gentleman has answered the question I was going to ask him, as to whether or not he thought the meat inspection service would be harmed. The gentleman has said, "No," and he seems to have a logical argument as to why it is not going to be harmed. There are 91 additional inspectors, there are \$1,730,000 of an increase from last year's appropriation for this purpose. It has been suggested that the Meat Inspection Service be transferred from the Agricultural Research Service to the Agricultural Marketing Service.

Inasmuch as the Poultry Inspection Service, as I understand it, is in the Agricultural Marketing Service now, it would seem to me there might be some merit in transferring poultry inspection into Agricultural Research, inasmuch as if we just stopped and thought about it, the Agricultural Research Department has a rather outstanding record in performing this service for the consuming public; that is, of inspecting meat in our processing plants.

Mr. WHITTEN. May I say to the gentleman that I appreciate what he has said, but we ask merely that the matter be studied. We want to get them to give the same service at the same cost. I feel confident that these people could do it under some reorganization of the services.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Texas.

Mr. MAHON. I was present in the Appropriations Committee when the chairman made his excellent report to the committee. The gentleman made a most helpful report on this bill. But, I would like to have a statement from the chairman of the subcommittee in regard to the impact of this bill on the various experiment stations throughout the country. Is any sharp change anticipated? I am much interested in the programs of the experiment stations.

Mr. WHITTEN. This bill, for the experiment stations proper, went along with the budget, which carried about a \$2 million increase, as I recall it. That, with the constant increase in salaries and costs probably would keep it about where it is.

Now, in our report we went to great lengths trying to show that research was an absolute necessity. You will remember that last year, when this bill went to the other body, they added about \$25 or \$30 million for research, and for that reason this year we had our staff make a thorough check bringing together all of the research establishments in the

United States so that, at least, there should not be any more pyramiding on us again; they would do it with full information. It was something strange to me when I found out how many research facilities we already have.

We had to put some people in here to staff these new laboratories that the Congress has seen fit to build, and we further put a \$5 million transfer limitation on the Commodity Credit Corporation to spend money for research in these acute areas, where there are people and where they can contract and get it done, as against setting up a big laboratory and staffing it with permanent civil service employees.

Mr. MAHON. I know the gentleman is familiar with the Great Plains program which is covered in this bill, and he knows of my interest in the program and of the interest of the people I represent.

Does the chairman think that this program is being operated rather efficiently and effectively?

Mr. WHITTEN. I think it is being operated efficiently and effectively, and I have become convinced that it is a good program. They do not get all of the funds they want, but it is always hard to please everybody when it comes to appropriating money.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Washington.

Mr. HORAN. With reference to the impact on the State experiment stations, the State experiment stations are not on trial in this bill or in this report. What is on trial is the integrity of the Committee on Appropriations, and we want to know what the extent of Federal moneys is that are being expended there. And, I believe the report points that out. A little later on I want to speak on that.

Now, in regard to this meat inspection, when this House passed this gigantic public roads bill and did other things to change the transportation program and pattern of the United States, we just changed the slaughtering of livestock 100 percent. Now we have slaughterhouses that work only 1 or 2 days a week. If they ship interstate, they have to have inspection; it may be away off Route 40 some place, for example, and we have dispersed them from centers where it was easy to inspect meat to any number of slaughterhouses everywhere. Now, I do want to say this, that following the request of this subcommittee as contained in the report of some 2 or 3 years ago, the Department of Agriculture is working with your State departments of agriculture in an effort to recognize State meat inspection where it can be certified. I want to say here and now that no one questions the ability of the State of California to inspect its own meat completely free of the Federal Government and the incidental expense. That is not true of every State, but we are working in that direction, because meat inspection is an important item, and it is growing. I thank the gentleman.

Mr. WATSON. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from South Carolina.

Mr. WATSON. Mr. Chairman, I am probably less knowledgeable on the matter of agricultural activities than anyone in this body, but I am sure you have observed I have been listening very carefully and I certainly want to commend you for a good job on a rather difficult subject.

One thing concerns me in reference to the additional funds that may be going to the Department for research, or inspectors, and so forth. I have the same concern that apparently the committee has, that is, of the funds which go to the Department a sizable percentage of those funds is diverted for support measures or for support of these particular projects. I believe the committee even used the figure of 20 percent and you expressed concern, as I believe you rightly should.

What assurances did you get from the Department that these funds would go for their basic intended purpose, that is, for research and inspectors, rather than being diverted for support programs?

Mr. WHITTEN. I will say personally that we heard the Department and we brought our report out. They did not see the report until after it was printed. In the past we have had very good cooperation from the Department concerning the recommendations of the committee. The committee seemed to think the facts were such as to raise a question.

I can realize if they double the load on something that has to be supervised in Washington it might take some more people here, but we doubt that where they get a little extra money in a supplemental they need more people to supervise the work.

We raised the question and we would like to know what they are doing so they do not perpetuate this. We have raised the point now and will study it more thoroughly. And next year we will be able to tell you what we have found out and also how fully they have been cooperating with us.

Mr. WATSON. I thank the gentleman. May I ask the gentleman one further question? I note, and I suppose this would primarily be for support measures, that looking at the Department of Agriculture here in Washington I believe they have some 11,851 employees here. That compares with some 65,457, according to the committee's report, in the entire Department. Did your committee find these 12,000 people justified here to support the program?

Mr. WHITTEN. I do not have at my fingertips the exact number, but may I say if the gentleman will read the report fully we have called on them not to increase the number here in Washington. It is a difficult thing to supervise. Some years ago it was the practice to put a limitation that no more than so much money could be spent in Washington and not more than so many people could be in the city of Washington. We learned it was costing us money, because if they had a need for somebody they would call on him to come into Washington and he was here on per diem along with the rest of it. That is one of the things that is hard to trace. We raised

that question because we have doubts like the gentleman has. That is all I can tell you.

Mr. NELSEN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Minnesota.

Mr. NELSEN. I thank the gentleman. I want to thank the chairman for his usual good job and I would like to make reference to the report, and a very good one it is. On page 8 there is a line which starts like this:

In some instances, figures presented to the committee as to cost of power and other terms of contracts between some cooperatives and private companies differ somewhat. The committee has had no opportunity nor means to determine which may be correct.

The question I would like to ask is this: This deals with the REA program. As I recall it a year ago in your report you made a similar reference with regard to these requests, I believe, for some elbow room. Have you renewed this request and has information been denied to the committee relative to this obviously controversial problem?

Mr. WHITTEN. The gentleman obviously is well acquainted with the fact that this is a controversial program. He is the most aware of this, having worked for the REA on one occasion. But our problem here is this: We heard from the two sides of the controversy. We do not have a large staff and have only a matter of a few weeks, and we do not have the experts at our fingertips.

The differences here are the facts as the REA sees them and the facts as the private companies see them. And unless we had a staff as big as the one you used to have down in the Department, or maybe bigger, we could not be in a position, as a subcommittee, to resolve these differences. But, understand, these were presented by two groups of people who are definitely on different sides of many points in this area.

Mr. NELSEN. Mr. Chairman, may I ask the distinguished Chairman further if he feels that some of these cost studies should be made available to the Committee for examination?

Mr. WHITTEN. I think, as the gentleman read from those two pages, this is the first time he has seen that type of thing in the report.

Mr. NELSEN. I agree.

Mr. WHITTEN. I have always tried, when we take a new stand, to give the Department 12 months to try to come within it. We have never written anything that we did not try to follow up on. This year we will try to follow up, and I believe we will have the cooperation of the Department.

Mr. NELSEN. Further, Mr. Chairman, I am interested in the following paragraph, where a sort of criterion is set up as to the approval of loans, relative to unreasonable rates; and also the suggestions that proper attention be given to an attempt to get a reasonable rate. It provides further in the language that the Administrator should certify to the Secretary of Agriculture that these steps have been taken. It further provides that the contingent fund is under the direction of the Bureau of the Budget. The thing that amuses me is

the fact that this great battle that went on on this floor about the Humphrey price bill a couple of years ago, where the Secretary asked for information, and this particular bill, were designed for the purpose of disassociating the REA from the Secretary of Agriculture and even the President. In that year we moved in the direction of giving to the Secretary of Agriculture the right to certify going to the Bureau of the Budget for—

Mr. WHITTEN. Mr. Chairman, may I interrupt to correct the gentleman; we do not say the Secretary of Agriculture shall certify; we say the Administrator.

Mr. NELSEN. That means certify to him?

Mr. WHITTEN. That is right, which in effect means making a record that should be available to the Congress to see that these steps are taken.

Mr. NELSEN. May I say to the distinguished chairman that I do not quarrel with this because I believe the President and the Secretary of Agriculture are responsible and should have some supervisory authority. But I think we are kind of running in two directions; after the big battle we had a couple or 4 years back, this seems to me to endorse the position that I took originally.

Mr. Chairman, I want to thank the gentleman for this report, because I think it does attempt to put this program in proper perspective. The committee is sound and is doing the job that it ought to do.

Mr. WHITTEN. I appreciate the gentleman's statement. I should remind him that after all, this is an appropriations committee.

Mr. NELSEN. I understand.

Mr. WHITTEN. And there are certain limitations as to how far we can go. We cannot rewrite the law.

Mr. NELSEN. Mr. Chairman, I thank the Chairman of the committee for yielding and commend him for the fine job he has done.

Mr. BECKER. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from New York.

Mr. BECKER. I appreciate the gentleman's yielding. The question I want to ask him is purely for purposes of information. I have read the report. However, I read yesterday that the Committee on Agriculture reported out a bill, H.R. 6196, that would permit domestic textile mills to purchase cotton at the same price now being charged foreign purchasers of cotton; that our domestic mills today are paying about one-third more for this American cotton. My question is, if that bill, H.R. 6196 is reported by the Committee on Agriculture, does that mean then that while we are selling surplus cotton abroad, will this cotton be sold on the domestic market at the same price and be purchased by our mills at the same price at which the foreign purchaser buys it?

Mr. WHITTEN. As I pointed out, this is an appropriations subcommittee. I have some familiarity with this bill, but let me point out to the gentleman that there are a good many things that do not get mentioned in it. In the first place,

our domestic mills pay several times as much for labor as our foreign competitors, which is not mentioned in the bill of which the gentleman speaks. Section 22 of the Agricultural Adjustment Act provides protection against imports from foreign countries on finished goods. Furthermore, and this is not often pointed out, under present conditions our Government has paid \$160 million to our domestic mills to enable them to buy at the world price raw material equivalent to what they export. None of those facts is mentioned in the bill the gentleman mentioned. But if the bill, and we are getting into conjecture now, were to be brought up on the floor and not amended, and if it were sent to the Senate and it was not amended there, we would have a quite different situation than now obtains. In my years here I have never seen a bill follow that course.

Mr. BECKER. I think the gentleman realized I did not intend to raise any question about that, but I am getting to the question of subsidies. Sometimes I wonder when we are going to subsidize the taxpayer so that he might be able to pay for these things and also pay his taxes.

Mr. WHITTEN. My colleague has in mind a still wider range of conjecture. But I say when you pay less than 20 percent of your income for food, which no other nation can do, and when the retail price of the suit you have on carries in its cost the bargaining price of labor, minimum wages, the transportation, the fellow in the spinning mills, and when industry has to sell it at 10 or 20 percent above that so as to stay in business, that is reflected in your retail price. Unfortunately the relatively low price that the farmer gets sticks out like a sore thumb. But do not think all the other that is provided by law does not show, because it has to be paid for.

Mr. BECKER. What we are providing is a subsidization of foreign markets to undersell our domestic markets, and our domestic employment is vitally affected by it.

Mr. WHITTEN. Section 22, under which you could prevent foreign imports from coming in here, is not used. The law provides for that protection if you properly use it. Our domestic mills do have to pay higher for their raw material. They also have to pay many times higher for their labor, transportation, and everything else.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Illinois.

Mr. MICHEL. I had intended to ask the gentleman this question when we read the bill, on page 17, but since it coincides so closely with some of the remarks of the gentleman from New York, I would call attention to page 17 of the bill, line 6, calling for transfer to the Commodity Credit Corporation. Then I notice the language on page 25 of the report which seeks to explain this. One sentence in that report states:

An increased domestic consumption of 1 million bales of cotton alone could save the taxpayers some \$30 million or more per year.

What are we trying to do by way of giving them the authority to transfer \$25 million of Commodity Credit Corporation funds? This means that conceivably we are opening up the door for the people downtown to pay cotton mills a subsidy for cotton which they cannot buy at the prevailing price.

Mr. WHITTEN. This is general language and it applies to all commodities. It is not limited. That statement in the report was by way of illustration. I thought it was a worthwhile illustration because of the situation the gentleman from New York mentioned a while ago. Pending before the legislative committee is a bill where the Federal Government would subsidize domestic mills \$42.50 per bale if you had this use. It was our opinion that if you had this authority, then the section 32 group could take care of the situation.

You could have the use of this and could use just a part of it to get domestic use. If you could increase domestic use of a million bales more you could save \$30 million. But it could apply to numerous commodities in a similar way.

Mr. MICHEL. The point I am trying to make is, it seems to me that by this transfer we are opening up the door for the Appropriations Committee to do that rather than having the Congress itself speak by way of an authorization bill for it. Then I would have to question it because I do not want to see them given the automatic right here to engage in this practice which the gentleman from New York abhors and which I abhor and which any number of the Members of this House think is silly.

Mr. WHITTEN. If the gentleman will recall, and I am sure he is familiar with section 32 of the Agricultural Adjustment Act, 30 percent of the import duties are set aside for certain uses, one of which is to promote the use of surpluses. So that the basic authority for using the import duties for things that are coming in here to compete with our people is already in the law.

Mr. MICHEL. The gentleman will have to agree we are making a departure from section 32, and we are not talking about perishable commodities.

Mr. WHITTEN. Section 32 just says that 50 percent or more must go to perishable commodities. So the other 50 percent is free. We are not changing that at all. The change here would be in the use of Commodity Credit Corporation rather than the section 32 group. This is general in nature and retains the right of the Congress to pass on this each and every year. I am convinced that we can save ourselves millions of dollars. If you look at Section 32 and see the provisions of law there and then look and see the inventories that we have in wheat, corn and cotton, and if you can take a few million dollars and reduce that by increased domestic consumption, some of the costs that are being pyramided I think could be saved.

Mr. SISK. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I am glad to yield to my colleague.

Mr. SISK. I want to congratulate the gentleman and the committee for the

excellent work they have done on this bill and I am happy to support it. But I do have one question that I would like to ask the gentleman regarding a commodity in my area.

I wonder if you would be good enough to clarify the Appropriations Committee's position on a question which has arisen in connection with proposed research which is most important and essential to the grape industry, much of which is concentrated in the district I represent. This industry is doing a great deal to enlarge and diversify its markets and to thus absorb and make economically useful the surpluses which sometimes occur. There are fields of possible usefulness of grape products which appear most worthy of research exploration, and it is my understanding the Department of Agriculture recognizes this need and would consider a program of research into all current and possible future uses of grapes, together with exploration of cultural, processing, storage, insect, and marketing problems, but there is a feeling that the Appropriations Committee has put some restrictions on this research field. I find this appears to be based on some rather obscure language and discussions in a report of the committee on an agriculture appropriation bill over 20 years ago. As this is a matter of grave importance to many people in my district, I would appreciate your comment.

Mr. WHITTEN. May I say to the gentleman, in the first place, any comment or discussion in a committee report of 1936 would have no bearing on the present attitude of the committee or on the use of research funds by the Department. No such restriction is intended on the appropriation we are currently considering. So far as the committee is concerned, the Department could undertake any research it feels is justified, necessary and proper, within its appropriation, for the development of new products and processing techniques of all the present uses of grapes, as it may in any other agricultural field. I hope this will reassure both the Department and the gentleman from California and his constituents.

Mr. SISK. I appreciate the kindness of the gentleman. As I understand it, there would be no prohibition against broad research in the field of grapes?

Mr. WHITTEN. None whatsoever.

Mr. SISK. I thank the gentleman.

(Mr. SISK asked and was given permission to revise and extend his remarks.)

Mr. HUTCHINSON. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman.

Mr. HUTCHINSON. The gentleman is aware of the fact that in southwestern Michigan we are experiencing an outbreak of a new pest called the cereal leaf beetle. I am aware of the fact that the report takes notice of this situation. However, there is a paragraph which appears on page 15 of the report in which there is reference to the fact that the Department of Agriculture has a control program going on along with the States

of Michigan and Indiana in order to control this thing.

I would inquire of the chairman of the subcommittee, the gentleman from Mississippi [Mr. WHITTEN], whether it is within the congressional intent under this bill that a research program for eradication of this pest by the Department of Agriculture could be undertaken?

Perhaps as much as \$200,000 might be needed on a kind of a crash program in order to attempt to absolutely eradicate this pest before it gets into the grain producing areas of the country.

Mr. WHITTEN. May I say to my colleague, the gentleman from Michigan [Mr. HUTCHINSON], that is exactly what the Department plans to do and that is why it has moved in quickly in an effort to control it to the point of eradication before it gets larger.

We carry funds in the bill to do just that.

We have been discussing it with the representatives of the Department of Agriculture, and the plans are to do just what the gentleman is talking about.

Mr. ABBITT. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Virginia.

Mr. ABBITT. On page 11 of the report, section (3), there is the following statement:

To meet the need for additional quality research on peanuts, an additional \$200,000 has been provided for use at the New Orleans utilization laboratory. The committee has also provided \$400,000 for the establishment of a peanut research laboratory to house peanut shelling work at Dawson and if desirable to bring together peanut research now being conducted at various locations in Georgia.

Are we to understand that the intention of the committee is that the part of the research on peanuts conducted at New Orleans, that the \$400,000 is intended for a laboratory building, and at Dawson to bring together if desirable present research work in Georgia?

Mr. WHITTEN. That is exactly it. As the gentleman well knows, there is quite a difference of opinion between the peanut producers in the various peanut areas. Much of it in our opinion revolves around the research on quality. Since they are highly competitive not only price-wise, quality-wise, and in advertising and all that, and since we now have peanut research going on at the present time in New Orleans, the additional quality research should be done where you have the facilities. So there has been provided \$200,000 for the quality work at New Orleans. The work in Georgia would be that which is not controversial and which would in no way displace the type of work to be done in other areas.

Mr. ABBITT. I thank the gentleman for that explanation. I am in accord with what the committee has done.

Mr. POAGE. Mr. Chairman, will the gentleman yield further on that point?

Mr. WHITTEN. I yield to the gentleman from Texas.

Mr. POAGE. As I understand it, there is presently \$286,445 being spent by the

Federal Government on peanut research work in the State of Georgia?

Mr. WHITTEN. The figure I have is \$337,240, including the State experiment station.

Mr. POAGE. If the gentleman will yield further, do I understand it is the intention of the committee that this work shall be concentrated at Dawson, Ga., and shall be carried on in this building for which you are making the appropriations now?

Mr. WHITTEN. If the gentleman will read the report, we did not insist on that. We did recognize that at Dawson they do not have the buildings for the research work going on there now. But we say, if desirable, the other work in Georgia could be concentrated there. But we do not require that. There might be reasons why they would prefer it and it might be advantageous for them to carry it on where it is now. So, we did not insist on it.

Mr. POAGE. I understand that, but is it intended by this appropriation to authorize any new research work in the State of Georgia?

Mr. WHITTEN. It is not.

Mr. BURLESON. Mr. Chairman, I wish to express my appreciation to the gentleman from Mississippi [Mr. WHITTEN] for this time to make a very brief comment. In addition, I want the entire subcommittee to know that their efforts in producing this measure is to be commended. Your job is not an easy one. You cannot please all of us any more than any of us can always satisfy and meet the approval of all our constituents. I must say that if I had my unlimited choice I would eliminate some items in this bill and would change others but that is not the situation and the fine art of compromise by respecting the views of others must prevail in this, as in most all other legislation.

I believe it has been made clear by the discussion between my colleagues, Mr. POAGE and Mr. ABBITT, and our esteemed subcommittee chairman, that the peanut research facility at New Orleans shall be the place for peanut quality research and that the \$400,000 item heretofore referred to by my colleagues, is to house equipment already located at Dawson, Ga., and that there is absolutely no intent of expanding it into a facility to engage in quality research or as to that matter, to duplicate work presently being performed at other places.

Mr. Chairman, we in the peanut producing areas of the Southwest, feel we are at a disadvantage in numerous respects as related to the Southeast—a competitive disadvantage which we see and feel as time goes on. Research advantages is certainly one of them. We do not feel we can stand silent and permit still further advantages to occur. We call attention to this matter, not to criticize the Committee's action on this particular matter, but to make clear our case for equitable treatment in the future, which I am certain all of you will want to do.

If the circumstances at Dawson, Ga., are such as to constitute an obligation to protect an investment already made,

I am not disposed to attempt to eliminate the item provided in this bill but assurances can be given, with certainty, that any future support for the facility will be opposed if it engages in research other than shelling for which it is to be used, as I understand it.

Mr. WATSON. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from South Carolina.

Mr. WATSON. I dislike having to presume upon the gentleman's time further here, but of course the gentleman is the man with the answers. I notice on page 31 of the report we have a new office in the process of being created here, and that is the Office of Rural Area Development.

Mr. WHITTEN. May I correct the gentleman? We are not in the process of creating it. It was created some time ago.

Mr. WATSON. I understand that was in 1961, and the gentleman might correct my impression.

Heretofore the funds have come from other sources, from USDA funds, but this time we are specifically appropriating \$120,000 for that particular office.

Mr. WHITTEN. We appropriated some money last year for this.

Mr. WATSON. But not directly as we are doing this time.

Mr. WHITTEN. Appropriations were carried under the appropriation for "General administration." In addition, there were transfers from various other agencies.

Mr. WATSON. Here is a question I am trying to get across to the gentleman.

Did your committee really conclude that was a justifiable creation of this Department or a continuation of this Department? As I read the report, we have the rural renewal program under the Farmers Home Administration; we have the ARA program. Why have the creation or continuation of this Rural Areas Department?

Mr. WHITTEN. The gentleman has given the reason, in my opinion, for what we have done. We have the Farmers Home Administration, we have the ARA, we have the Department of Commerce, all doing the same type of work. We have the REA doing the same kind of work. If you do not bring them under one proposition, how are you going to keep track of them? Further, you have to coordinate work between the Departments of Commerce and Agriculture. You have to have some kind of joint operations between Commerce and Agriculture.

Mr. WATSON. Your committee was not concerned at all as to the present complications and perplexities of the agencies and divisions of the Department of Agriculture. They do not know where to go to participate in these programs, and this is another one somewhere along the line.

Mr. WHITTEN. No; these all have to be brought together.

Mr. WATSON. The gentleman does not feel it could be handled by one agency?

Mr. WHITTEN. Whether you give it a separate appropriation, it is consti-

tuted. We think they ought to serve as a central coordinating one office.

If there are no further questions, I would like to review the various points covered in the committee report and the actions taken on the various items in the bill.

AMERICAN AGRICULTURE MOST PRODUCTIVE IN WORLD

American agriculture, 1963, is the most productive in the history of the world. Fortunately, most of our problems in the United States are due to abundance, rather than hunger or famine.

The ability of American farmers to produce food and fiber is apparent at the supermarkets, where city consumers can choose from thousands of safe, wholesome, and delicious foods—products of the farms of our 50 States. Using only about 20 percent of their income, American consumers can select foods with a knowledge of nutrition and balanced diets that makes this a nation of healthy and well-fed people. Most people in the world spend half or more of their available income on food, and in underdeveloped areas people spend most of their time grubbing a living from the earth.

If farmers today used 1940 methods, it would cost an extra \$13 billion a year to produce food and fiber for the Nation. This extra cost would be passed on to consumers, adding more than \$5 a week to each family's food bill.

American farm productivity, with its decreased manpower and its greatly increased equipment and investment, is borne out at the dinner table where 27 consumers share the bounty of a single farmworker. The average U.S. farmworker produces the food needs for 27 people. Today, only 8 of every 100 American workers are engaged in agriculture. The 92 others provide the goods and services of modern living—manufacturing cars, TV sets, and washing machines, running banks, selling insurance, building homes, fixing telephones, working in hospitals and hotels, and rendering other services, including our national defense.

It all adds up to a standard of living never before equaled in history—at a time when 63 percent of the governmental income goes for national defense and related activities.

FORCED AGRICULTURAL PRODUCTIVITY CREATES PROBLEMS

To maintain this high standard of living, and with increased costs for what the farmer must buy, increased agricultural productivity has been absolutely necessary. This has come at the cost of much greater investment per farm and a tremendous increase in risk.

The necessity to increase agricultural production to fully utilize machinery and equipment has made it necessary to expand the size of farming units, at high cost to the producer. The small family-size farm is gradually disappearing, largely because it cannot support high-cost machinery, supplies, or labor. The number of farm units has decreased from 6.4 million in 1940 to 3.7 million in 1962. In 22 years, nearly one-half have gone out of production. The American consumer today is almost entirely dependent

on the commercial farm for his abundant supply of inexpensive food and fiber.

Larger farming units have made necessary the use of more expensive machinery, seed, fertilizers, and insecticides, with modern farming techniques. This has increased the investment necessary to farm by nearly 700 percent in the past decade, from an average of \$6,119 per farm in 1940 to \$47,632 in 1962.

This larger investment, together with the vagaries of weather and increased threats to crops and livestock from insects and diseases, has greatly increased the financial risk of the average farmer. The value of investments in terms of current dollars has increased from about \$55 billion in 1940 to over \$200 billion in 1962. The farm debt during this period has increased from \$9.6 to \$25.8 billion. Half a century ago a farmer could survive as many as seven crop failures in a row. With the tremendous financial risks involved today, the loss of a single year's crop can result in bankruptcy for many farmers.

Further the price-cost squeeze on the farmer is becoming more acute each year. Farm prices have generally remained constant, but production costs have continued to rise. The small increase in retail food prices in recent years has been added on after the commodities have left the farm by those between the farmer and consumer. In the past 11 years the farmer's share of the retail food dollar has declined from 49 cents in 1951 to 38 cents in 1962. As a matter of fact, if the producers were to receive nothing for their raw materials, it is doubted that the retail price would decline significantly. It should be noted that the farmer receives only 3.1 cents from a 21.2-cent loaf of bread. The farmer's share of a \$4.24 cotton shirt is only 28 cents.

These factors make it clear that the agricultural producer must have price protection. This Nation, with laws permitting labor to organize, and guaranteeing minimum wages, with industry having the right and necessity to add markup above cost, must have price support for the producer of the raw material.

EXACT BALANCE IN SUPPLY AND DEMAND UNWISE

Most of the farm problems are due to high cost of what the farmer must buy, leading to increased units and the resulting surplus supplies of agricultural supplies on hand, which depress markets and require large amounts of money to produce and store. However, the worst possible thing that could be done to the 185 million American consumers would be to balance supply and demand, by reducing supply and production to the point of forcing fair prices at the marketplace because there was barely enough to go around.

To cut production down to the point of scarcity would endanger the consuming public. Drought or flood or pestilence could make many go hungry, though in all likelihood it would bring the producer a much larger net income. These facts need to be recognized aside from any defense needs.

Another serious effect would be to encourage foreign countries to increase their agricultural production. The re-

ports and hearings of this committee are full of facts to show that, as the United States has reduced production in recent years, foreign production has been increased to fill the gap, much of it with American financial aid and technical assistance.

Also, in the case of cotton there has been a large competitive growth in the use of synthetic fibers at home and abroad. In foreign countries, this has been due partly to efforts of those countries which do not produce cotton to become self-sufficient in raw materials. But further, this has resulted in part from curtailing U.S. cotton production and holding U.S. cotton off world markets at competitive prices.

At the urging of this committee, the Department has recently reentered world markets on a competitive basis in an effort to keep U.S. production up and to keep American farmers in business. In order to protect our foreign markets, the Department should give further study to producing higher quality commodities. The tendency to stress quantity rather than quality has had a serious effect on the overseas demand for U.S. commodities. A wider range between good and poor quality in level of price supports might improve the situation.

It is to be noted that, unless production levels are maintained, additional farm units will of necessity go out of production, with increased unemployment problems in the cities as more rural people move to town. How to keep adequate reserves to meet all domestic and export needs, plus a reserve for possible defense needs, without depressing market prices is one of the most serious problems facing American agriculture today. It is our belief such reserves should be insulated from the market and charged up to "Consumer security."

THE BUDGET FOR THE DEPARTMENT OF AGRICULTURE

When all is said and done, it requires only 5 to 6 percent of the Federal budget each year to operate all of the programs of the Department of Agriculture—meat inspection, disease and pest control, research and extension, protection of resources, price support, foreign assistance, and all the rest. This is only about one-twelfth of what the Nation is spending each year on defense, about the same as we spend on international affairs, and almost exactly the amount requested each year for research to send a man to the moon.

Only 1.5 percent is required to finance the regular operating programs of the Department, including research, marketing, extension, soil conservation, watershed protection, flood prevention, and other related activities. This averages about \$8 per person per year for the production, inspection, and marketing of the finest meats, vegetables, and other foods at the lowest cost to the consumer of any nation in history. Further, it helps to develop and maintain our national resources for unborn generations of the future. It also provides school lunches for our children and food for the needy.

An additional 2 percent is used to finance the various foreign assistance programs operated by the Department, in-

cluding Public Law 480, the International Wheat Agreement, and bartered materials for the supplemental stockpile. The primary benefit of these programs is in the area of international affairs and foreign aid and, therefore, should not be charged to the farmer as a part of the cost of our agricultural programs.

Another 2 to 3 percent is used to finance the price support program needed to protect the Nation's largest market for the goods and services of American industry. It is significant to note that over 50 percent of the funds expended for price support programs go to transportation companies, warehouses, and other activities rather than to the farmer.

As has been pointed out frequently by this committee, agriculture is the principal source of new wealth. It is the main provider of basic raw materials which support all segments of business and industry. Reliable estimates indicate that each dollar of wealth taken from the soil generates \$7 of income throughout the rest of our economy.

Agriculture is still our largest industry. It employs 12 times the number of people in the steel industry, 9 times the number in the automobile industry, twice the number in the transportation and public utility industries. In addition, it supports directly another 10 percent of non-farm population which supplies the farmer with his needs and processes and markets his products.

Agriculture is the major market for the products of industry. It uses more steel in a year than is used for a year's output of passenger cars. It uses more petroleum products than any other industry in the country. It uses more rubber each year than is required to produce tires for 6 million automobiles. Its inventory of machinery exceeds the assets of the steel industry and is five times that of the automobile industry.

PERSONNEL REQUIREMENTS

Average annual employment in the Department of Agriculture (exclusive of the Forest Service which is no longer included in this bill) has increased from 47,793 in fiscal year 1954 to an estimated 65,457 in fiscal year 1963. This is a total increase of 17,664 man-years, nearly 37 percent.

It is inevitable that the Department of Agriculture, which serves to some extent every person in the Nation, will have a large number of employees. Recognizing the need to balance the budget and curtail personnel increases wherever possible, however, the committee has held funds for additional employees in this bill to an absolute minimum.

The committee notes that the Secretary has made some progress in the past year in reducing employment in selected areas. A reduction of over 500 employees has been made in the Agriculture Stabilization and Conservation Service as a result of the consolidation of several of the commodity offices and other organizational changes. In addition, several hundred positions have been eliminated as a result of the installation of a centralized data-processing system for the preparation of payrolls and the processing of personnel data.

Funds to meet pay increases author-

ized last year have been reduced substantially, which will require further personnel reductions by not filling vacancies to absorb the amounts disallowed. Only 80 percent of amounts required for fiscal year 1964 was included in the budget request. Further, for the larger appropriations only 60 percent of the amounts in the budget have been included in the bill. For the agencies which are not large enough to absorb such a large cut, reductions have not been so severe.

The 1964 budget, as amended by House Document 81, would have provided a net increase of 1,201 man-years of employment for the appropriations in this bill. The committee has reduced this by 1,021—85 percent—and has provided funds for a total net increase of only 180 man-years. The increases allowed are primarily for research, meat and poultry inspection, soil and water conservation, REA loan studies, FHA lending activities, and broadening of crop insurance coverage, as follows:

Agricultural Research Service:

Increases:

To staff research laboratories recently authorized by Congress and now ready for operation.....	+89
To extend research to meet increased threats from foot-and-mouth disease and African swine fever.....	+17
To expand research on peanuts, tobacco, cotton, corn, and wheat—basic storable commodities in surplus supply.....	+50
To provide additional plant and animal quarantine inspection at ports of entry due to increased traffic from abroad.....	+22
To increase the program for eradication of hog cholera authorized by Public Law 87-209 approved September 6, 1961.....	+72
To provide additional meat inspectors to meet expanding inspection workload.....	+92
Annualization of prior year increases, principally for utilization research.....	+157
Total increases.....	+499

Decreases:

Savings due to installation of centralized data processing system for personnel and payroll data.....	-76
Reduction in eradication programs for the gypsy moth, screwworm, etc.....	-182
Total decreases.....	-258

Net increase, Agricultural Research Service.....

Federal Extension Service: Savings due to data processing system.....

Soil Conservation Service:

Increases:

To staff 30 new districts to be established during coming fiscal year.....	+90
To increase soil and water conservation in existing districts.....	+131
To extend cooperative river basin surveys and investigations.....	+82
To carry out the new land conservation and utilization program authorized by the Food and Agricultural Act of 1962.....	+24

Total increases.....

Soil Conservation Service—Continued

Decreases:

Savings due to data-processing system.....	-44
Completion of projects and reduction in loan activities.....	-37
Total decreases.....	-81

Net increase, Soil Conservation Service (including watershed protection and flood prevention).....

Economic Research Service: Research on the European Common Market and other foreign agricultural trade problems.....

Statistical Reporting Service: To extend the long-range program for improvement of crop and livestock estimates.....

Agricultural Marketing Service:

To meet increasing volume of mandatory poultry inspection.....	+32
Annualization of prior year increases for poultry inspection, warehouse inspection, grain grading, and market news service.....	+52
Savings due to data-processing system.....	-19

Net increase, Agricultural Marketing Service.....

Foreign Agricultural Service: To expand market development work and give additional attention to the European Common Market and other international trade relations.....

Commodity Exchange Authority: Savings due to data-processing system.....

Agriculture Stabilization and Conservation Service: Net reduction due to consolidations, organizational changes, and increased employee productivity.....

Rural Areas Development: To strengthen coordination and administration of rural areas development program.....

Office of General Counsel: Reduction in staff and savings due to data processing system.....

Office of Information: Termination of centennial program and savings due to data processing system.....

Library: To provide more service and information for scientific and research personnel.....

Rural Electrification Administration: For surveys of REA cooperatives and studies of generation and transmission contracts.....

Farmers Home Administration:

For additional workload of regular programs and for new programs assigned to the agency, including rural housing and housing for the elderly.....

To initiate new rural renewal program.....

Total.....

Federal Crop Insurance Corporation: To extend the crop insurance program to 100 new counties as contemplated in the long-range crop insurance program.....

Net total increase, USDA (exclusive of Forest Service).....

RURAL ELECTRIFICATION PROGRAM

The committee is proud of the record of the Rural Electrification Administration and what it has meant to and means not only to rural America but to all America today. We believe that one of the greatest achievements of the past 30 years has been the bringing of electrical

energy to the rural areas. It has been a major factor in enabling the relatively few people on our farms to produce the food and fiber for our 185 million consumers. It has enabled this Nation to support large international and defense costs without reducing our general standard of living.

One of the most remarkable features of the program has been its repayment record. It is one in which everyone in the Nation can take pride. No bank or other lending institution in the country can boast of a better record. Of the \$4 billion advanced on REA loans over \$1.1 billion has been repaid on principal, some of it in advance of due dates. As of February 28, 1963, only two borrowers were delinquent and they are expected to become solvent in the near future.

The committee is gratified to note that, pursuant to directives in reports of this committee, standards have been established by the Administrator for the control of financial reserves of the REA cooperatives. It is reported that the cooperatives are in full accord with this action and are cooperating to make it effective. This is a healthy and practical realization of the responsibility of these borrowers to the taxpayers of the Nation.

A majority of the members of the committee believe the right to make loans for power generation and transmission purposes, with funds available to implement such right, if necessary, is absolutely essential to enable REA cooperatives to obtain reasonable contracts from private power suppliers with regard to rates, terms, and conditions. However, a study of the REA Act and its history clearly shows it was never intended that this authority be used except for substantial reasons, and not merely to supplant private suppliers.

The committee had testimony from many witnesses on all sides of this issue. With regard to several loans it appears that satisfactory concessions or modifications might have been secured from the private suppliers if real efforts had been made. With regard to others, reasons given for granting loans do not appear too substantial. On the other hand, the requirement of a dual rate by the private supplier, whereby a higher rate is charged for increased quantities of power for the purpose of cutting off prospective customers in areas served by co-ops, appears unjustified and is an invitation for electric cooperatives to seek generation and transmission loans.

In some instances, figures presented to the committee as to cost of power and other terms of contracts between some cooperatives and private companies differ somewhat. The committee has had no opportunity nor means to determine which may be correct. With regard to some contracts, the private suppliers seem to have offered little assurance of providing for increased future power needs of cooperatives on a firm basis or providing delivery points necessary to the economical operation of the cooperatives involved.

Before public funds are loaned for power generation or transmission, a majority of the committee believes the REA

Administrator, in connection with any such loan, should make a survey, determine wherein the existing contract for power or the proposed contract is unreasonable, advise the supplier wherein such contract is unreasonable and attempt to get such contract modified to make it reasonable. Loans should be made only when reasonable contracts cannot be obtained.

With regard to any further generation and transmission loan approved, the Administrator should certify to the Secretary of Agriculture that each of these steps has been taken and that the private supplier had been given an opportunity to make the contract reasonable, specifying the details, and had refused or failed to do so.

The committee believes the Administrator has the obligation to make certain that section 5 loans are handled on a sound basis. The REA Act provides that loans under section 5 shall not be made unless the Administrator finds and certifies that in his judgment the security therefor is reasonably adequate and such loan will be paid within the time agreed.

It is the opinion of the majority of the members of the committee that the Congress in providing for section 5 loans intended also that they should not be made where local private business can meet the need or where it is determined that the local borrower will provide unnecessary competition. The Administrator should also certify to the Secretary as to the necessity for section 5 loans.

In view of the foregoing facts, the committee has placed \$150 million of the electrification loan authorization in the contingency reserve, instead of the \$75 million requested. The contingency authorizations can be released only after a further showing to the Bureau of the Budget that the program is being handled on a satisfactory basis and there is a substantial need for the additional funds. This should enable the Administration to meet its obligations, if the recommendations of the committee are followed.

The committee has provided funds for additional employees for the coming year under the REA administrative appropriation to implement the surveys, audits, and supervision called for in these areas.

AGRICULTURAL RESEARCH

As in the past, the committee has had numerous requests for additional appropriations for the various activities of the Department. Some 250 witnesses appeared before the committee this year, many of them requesting additional attention to problems in research. Most of these requests are for work within the present research responsibilities of the Department.

The committee has allowed some increases where the large investments and costs to the Federal Government justify some extra attention. In addition, we have again provided the \$1 million special contingency funds to meet needs not specifically appropriated for. The committee, therefore, directs the Department to give attention to these additional

needs as reflected in these requests in the use of the funds provided in the bill. The usual requests for increases are generally by their nature the type to which present personnel, funds, and facilities should be directed.

It should be noted that the following amounts are being spent for research on certain of the major commodities in fiscal year 1963: \$5.2 million for corn; \$1.1 million for peanuts; \$722,000 for rice; \$2.3 million for tobacco; \$11.7 million for cotton; and \$5.8 million for wheat. In addition, all of the other research work of the Department is of benefit to these commodities in varying degrees.

For years the committee has recognized the absolute necessity for continuing research in agriculture on all of these commodities. The committee has realized that it takes research facilities, personnel, and funds to meet these needs. However, in recent years it has appeared that many requests for increases in funds and facilities have not been based on a thorough knowledge of what the Department already has in the way of facilities and what research is now being done.

The committee believes strongly in agricultural research, the backbone of which is the cooperative programs carried on with the land-grant colleges. The Department of Agriculture and the land-grant colleges have excellent research organizations, and this committee is proud of their many outstanding accomplishments. The committee has supported the research programs of these agencies as fully as possible through the years. Total research funds for the various agencies of the Department, including the agriculture experiment stations, have increased from approximately \$57 million in fiscal year 1949 to over \$174 million in fiscal year 1963—an increase of over 200 percent.

The committee recognizes that American agriculture would not be in business today if it were not for the benefits of the Department's research in reducing cost of production, and improving the quality and increasing the efficiency of handling and marketing of agricultural crops. It would be impossible for the economy of the Nation to support large international and defense costs each year, and at the same time maintain our high standard of living, were it not for the remarkable record of agriculture and agricultural research.

When this country was young, 90 percent of the people lived on the farm. Most of them had to produce their own food and fiber with the plow and the hoe. Today, about 10 percent of our people live in rural areas with less than 4 percent working in the fields to feed our entire population. This remarkable accomplishment is due in large part to the fine work of the research agencies of the Department and the land-grant colleges.

It must be recognized, however, that additional funds for expanded research programs each year is not the complete answer to the problems of agriculture. Research must fit into the present system of agriculture and must be held

within reasonable fiscal limits. Increased research results must depend on the quality of research rather than the quantity of research. It must be carefully geared to the needs of the agriculture producer and the industrial user.

Agriculture research should be expanded only where present personnel and facilities cannot be shifted to meet the new research needs. Further, it should be expanded gradually on a sound basis and only to the extent that well qualified research scientists are available. The committee is aware of the keen competition for well-trained scientists from all branches of the Government and industry and knows of the difficult problem the Department of Agriculture faces in finding the caliber of people needed to maintain the high quality of research results required of it.

NEW LABORATORY APPROACH, A SLOW PROCESS

It must be realized that a new laboratory approach to pressing research problems means on the average at least 5 years before any valuable results can be obtained, and then usually from experienced personnel transferred from other locations.

The Agricultural Research Service now conducts research at some 228 locations in the United States. In addition the agricultural marketing research program is carried on at 45 locations throughout the United States. These 273 facilities have all made and are making valuable contributions to research. They should be able to meet future research needs by redirecting present personnel and facilities, with expansion where necessary.

Also, it must be kept in mind that the backbone of research is and should be cooperative research carried on with the land-grant colleges. The Federal Government should not weaken this cooperative approach by establishing too many Federal laboratories.

Therefore, it is the belief of this committee that the most urgent needs for additional research in the future should be met as follows:

First. By merging them into present research work at existing locations with existing funds and personnel.

Second. By contract or grant to an established research organization with qualified personnel already available.

Third. By expanding cooperative research programs with the land-grant colleges and other research institutions and organizations, with some arrangement for matching contributions.

Fourth. By enlarging research activities at existing establishments as may be required, but only after the above approaches have been determined to be impracticable.

This should be the formula to guide the Congress and the Department in evaluating future research needs and considering funds for the establishment of additional research facilities. Only in this way can the Federal Government meet the needs of research in a truly expeditious manner within reasonable fiscal limits.

Since the last session of Congress, the committee has conducted a special review of the research programs and facilities of the Department, particularly

with regard to certain phases of research. The purpose of this survey is to bring together in one document a detailed description of the research programs now in existence in the Department, to show the many research locations throughout the country where work is now being carried on, and to indicate the amount of money being expended for such research.

From this report it would appear that many demands each year for new research laboratories or new and expanded research projects, most of which would require funds above the budget, could be and should be met with existing facilities, and to a large degree with existing personnel and funds—the committee report will be found in part 4 of this year's hearing, beginning on page 2892.

In order to help meet some of the more immediate and pressing problems of the various segments of agriculture, the committee has taken the following actions with respect to the production and marketing research work of the Department in the accompanying appropriation bill for fiscal year 1964:

First. Funds for marketing research have been consolidated with funds for the research activities of the Agricultural Research Service. It is virtually impossible to conduct the activities of these two areas of research separately. It is believed that more efficient research can be carried on through closer coordination.

Second. Authority has been included in the bill to transfer not to exceed \$5 million from the Commodity Credit Corporation to be used for contracts and grants to meet acute needs for research to reduce the necessity for the Corporation to invest in and take title to large quantities of agricultural commodities. This approach should enable the Department to move ahead immediately where services of trained and experienced scientists not available for regular Federal employment can be obtained, instead of waiting 5 years under the new laboratory approach with permanent personnel. Such research will be concerned primarily with those commodities in which the Commodity Credit Corporation has a large investment, including cotton, corn, and wheat and should be of real benefit to the operations of the Corporation.

Third. To meet the need for additional quality research on peanuts, an additional \$200,000 has been provided for use at the New Orleans Utilization Laboratory. The committee has also provided \$400,000 for the establishment of a peanut research laboratory to house peanut shelling work at Dawson and if desirable to bring together peanut research now being conducted at various locations in Georgia.

Fourth. To meet the more pressing problems of tobacco, \$400,000 has been included in the bill for additional research at existing facilities on Flue-cured and burley tobaccos. Also, \$200,000 each has been provided for additional research at existing facilities on cotton, corn, and wheat—the commodities which now make up the major portion of Commodity Credit Corporation inventories.

Fifth. Authority has been provided to enable the Department to accept funds from the States and private industry to carry out research programs on a co-operative basis. This language will enable agricultural groups to meet their most urgent research needs and to play a part in their solution in cooperation with the Department of Agriculture in line with what now is done in forestry research.

PROGRAM SUPPORT COSTS

The committee has received frequent complaints to the effect that sizable portions of funds provided for specific research projects do not reach the point where the research work is conducted. A preliminary review of this matter indicates that in some cases as much as 20 percent or more of the funds provided by Congress are deducted in Washington or some other administrative level for so-called program support purposes before the balance is finally allocated to the field locations.

The committee expects to make a full study of this matter during the coming year to determine the facts and recommend reasonable standards for such overhead deductions. In the meantime, each agency of the Department is expected to review its practices and make whatever adjustments may be needed. In order to hold program support costs to present levels, the committee directs that none of the additional funds provided in this bill are to be used for administrative or support purposes in Washington or any other location, unless specifically approved in this bill. Further, the committee feels that absorption required to meet pay increases and other expanded needs should come largely from the program support area, rather than from program operations.

CITRUS PURCHASES AND TOBACCO SALES

The committee developed a complete record on the handling of orange juice purchases under section 32 and the sale of tobacco at a fixed price under the Commodity Credit Corporation.

Contracts were made to purchase 383,485 cases of concentrated orange juice from five suppliers on November 13, 1962, at a price ranging from \$4.57 to \$4.74 per case. Immediately thereafter, a severe freeze occurred in the citrus area and the price of citrus products increased substantially. At the request of the suppliers the contracts were canceled and the juice was returned at the original purchase price, despite the fact that the market price in the meantime had increased to around \$10 per case. Information from three of the five suppliers indicates that they then sold quantities of this juice at prices ranging from \$8.45 per case to \$13 per case.

It is to be noted that the juice turned back was from the preceding year's production, was in existence, and final contracts for delivery has been entered into. Therefore, the suppliers were being called on to furnish citrus juice actually in existence and were not dependent on the next year's production to make the deliveries. It should also be noted that the armed services were required to pay \$13.50 per case for citrus juice required for their purposes, at this same time. In

the opinion of a majority of the members of the committee, this type of transaction is not sound and fails to protect the financial interests of the Government.

On February 11, 1963, the Department announced the sale of Flue-cured tobacco from the 1955 and 1956 crops. This tobacco was offered at a fixed price of around 36 cents per pound, which was considerably under the regular market price of tobacco at that time. An immediate run developed and the Department sold between 60 and 70 million pounds of tobacco during the first few hours of the sale. As a matter of fact some would-be buyers claim that they were unable to participate in the sale program due to demand.

It appears to a majority of the committee that, if tobacco had been sold on a competitive bid basis rather than a fixed price basis, the Government would have benefited greatly. We point out, too, that some serious questions arise as to the effect on new crops of tobacco.

AGRICULTURAL RESEARCH SERVICE

For research, the bill carries a total of \$94,445,000 for fiscal year 1964, including \$4,950,000 for marketing research. The amount recommended is a net increase of \$1,399,775 over fiscal year 1963 and a net reduction of \$2,718,675 in the budget request. The net increase includes \$1,200,000 to staff new research laboratories which have been authorized in previous years and are now ready for operation, \$200,000 for expanded research to develop better protection against the introduction into the United States of foot-and-mouth disease and African swine fever, both of which are becoming increasing threats to the United States as a result of increased foreign travel and the increased speed of transportation, and \$1,327,775 to finance 60 percent of the Pay Act increases for 1964. These increases are more than offset by decreases of \$2,928,000 due to nonrecurring construction costs and savings resulting from the new data processing system. The amount recommended also includes \$1,600,000 to meet the research needs of certain major commodities which have acute production and marketing problems and in which the Commodity Credit Corporation has a large investment.

The 1963 appropriation of \$59,505,000 has again been provided for plant and animal disease and pest control. This is a reduction of \$5,643,000 in the budget request. Budget reductions of \$1,919,000 resulting from savings in the fire ant, gypsy moth, and screw-worm eradication programs, nonrecurring construction requirements, and the new data processing system, have been reallocated for other purposes proposed in the budget. In this connection, attention is directed to the recent outbreak of fire ants along the lower Mississippi River. It is understood that the reduction of funds proposed for the fire ant program is due to a new bait and improved methods of treatment and will permit continued treatment where necessary to prevent further spread of the infestation.

In this connection, it should be pointed out that \$2 million for screw-worm eradication work was inadvertently omitted.

The committee intended to include this amount for 1964 and will request the other body to reinstate the funds.

The \$1,919,000 will be redirected to provide increases of \$161,000 for plant quarantine inspection at 30 major ports of entry, \$86,500 for animal inspection and quarantine at 14 major ports of entry, \$796,000 for expansion of the hog cholera eradication program, and \$875,500 to cover 60 percent of the 1964 pay increases.

In fiscal year 1962, a record total of 173 million persons entered the United States by sea, air, and border crossings, bringing with them 23.5 million pieces of baggage. In addition, the number of aircraft arriving from overseas increased by approximately 8,000 over 1961. Many of these are large jet aircraft which make it possible for infested and infected plant materials to reach this country from any part of the world within a few hours. Destructive foreign pests and diseases capable of attacking virtually every major crop grown in the United States are being intercepted regularly at ports of entry. In fiscal year 1962, plant quarantine inspectors made a total of 33,033 pest interceptions—an average of more than 90 each day.

On September 6, 1961, Public Law 87-209 was approved authorizing and directing the Department to initiate a national cooperative hog cholera eradication program. The Secretary appointed an 11-member National Hog Cholera Advisory Committee to assist in the development of a program, and steps were undertaken by the Department to develop plans and procedures necessary for the eradication program. Developmental activities in fiscal year 1962 cost \$96,639. For fiscal year 1963, Congress appropriated \$2 million for the program. The amount provided in this bill will increase the program to nearly \$3 million for the coming year. This is a relatively new program and the Advisory Committee should be fully utilized.

For meat inspection an appropriation of \$27,638,000 is recommended for the coming year. This is an increase of \$1,730,850 over fiscal year 1963 and a reduction of \$864,000 in the budget request. This increase will cover 60 percent of 1964 pay increases and will provide for 92 additional meat inspectors to meet the increased meat inspection workload made necessary by the steady increase in the number of packing plants and increasing dispersion of these plants throughout the country.

The cost of this program has increased from \$9 million in 1947 to \$27.6 million in this bill, an increase of over 200 percent. This inspection is of primary value to the consumer. Although this activity has grown up under the Agricultural Research Service, the Department should consider moving it to the Agricultural Marketing Service, since it is clearly related to marketing rather than to research. This would lead to closer coordination with poultry inspection and some monetary savings.

COOPERATIVE STATE EXPERIMENT STATION SERVICE

The full budget estimate of \$40,383,000 is provided for this program for fiscal

year 1964. The increase of \$2,120,050 over fiscal year 1963 includes \$1 million to meet the increasing costs of research, \$1 million to initiate a program of grants for forestry research, pursuant to Public Law 87-788, approved October 10, 1962, and \$120,050 to meet increased pay and postal costs. No increase in Federal employment is involved.

EXTENSION SERVICE

Payments to States and Puerto Rico: The committee recommends the full budget request of \$64,590,000 for the coming fiscal year. This is an increase of \$1,409,200 over funds which will be expended for this purpose in fiscal year 1963.

The committee again recommends that these funds be used primarily to maintain competitive salary levels for county agents and home demonstration workers in order to attract well-trained and highly qualified personnel to this program. No increase in Federal personnel is covered by this appropriation.

Retirement cost for extension agents: The bill carried the full budget estimate of \$7,110,000 for fiscal year 1964. The increase of \$345,000 over fiscal year 1963 is provided to cover the Federal share of retirement costs for the increased funds allowed under the previous heading for salaries of State and county personnel.

Penalty mail: An appropriation of \$3,113,000 is provided for fiscal year 1964, an increase of \$311,750 over fiscal year 1963. This item covers penalty mail costs of State extension directors and county extension workers, as authorized by law. The increase is due to the increase in postal rates adopted by Congress last year.

Federal Extension Service: The committee recommends an appropriation of \$2,500,000 for the coming fiscal year, a decrease of \$97,450 below the 1963 appropriation, and a decrease of \$15,000 in the budget estimate. The decrease is due to a small reduction in funds requested to meet pay increases in fiscal year 1964.

FARMER COOPERATIVE SERVICE

The sum of \$1,195,000 is provided for fiscal year 1964, an increase of \$39,100 over fiscal year 1963 and a decrease of \$85,000 in the budget estimate. The increase allowed will finance approximately 90 percent of the pay increase costs required for this organization in the coming year.

The appropriation for fiscal year 1964 includes \$452,000 for conducting research relating to the economic and marketing aspects of farmer cooperatives, as authorized by the Agricultural Marketing Act of 1946. In the past, this research has been financed by advances from the Agriculture Marketing Service and the Economic Research Service. For the coming year these funds are appropriated directly to this Service and the funds for the other two agencies have been reduced accordingly.

SOIL CONSERVATION SERVICE

Conservation operations: Soil conservation assistance is being provided for an increasing number of soil conservation districts each year. As of June 30, 1962, 2,929 districts were in existence. This

number will increase to an estimated 2,952 by June 30, 1963, and an estimated 2,982 by June 30, 1964.

The committee recommends an appropriation of \$97,480,000 for the next fiscal year, an increase of \$3,504,500 over fiscal year 1963 and a decrease of \$1,973,000 in the budget request. The net increase includes \$825,000 for technical assistance to the 30 new districts expected to be organized during the coming fiscal year and \$1,072,500 to increase soil conservation work in existing districts. In addition, it provides \$40,000 to meet higher postal costs approved last year and \$1,849,000 to finance 60 percent of the pay-increase costs required by this program next year. Offsetting savings of \$282,000 will be made during the coming year by the installation of the new data processing operations.

Watershed protection: The bill carries a total of \$63,222,000 for fiscal year 1964, an increase of \$1,845,650 over fiscal year 1963 and a decrease of \$770,000 in the budget estimate.

The amount recommended includes an additional \$1 million to expand cooperative basin surveys. This will provide a total of \$3,042,900 for this purpose for the coming year, which will enable the Department to initiate 8 additional surveys in fiscal year 1964, to continue 10 surveys initiated in fiscal year 1963 on a full-year basis, and to continue 6 surveys initiated prior to fiscal year 1963. Fourteen of the surveys will be carried out in cooperation with the Corps of Engineers and 10 will be in cooperation with State water resource agencies. In this connection, the committee feels that additional efforts should be made by the Soil Conservation Service to coordinate its studies with the Corps of Engineers, the Department of the Interior, and other interested agencies. Further efforts are required to get agreement on and clearly define the areas of jurisdiction of these various agencies, in order to prevent unnecessary duplication in this work.

In addition to the increase outlined above, an additional \$18,000 is recommended to meet increased postage costs, an additional \$415,600 is proposed to finance 60 percent of the pay act increases required during the coming year, and \$412,050 additional is provided for watershed planning and works of improvement.

A total of 1,702 watershed applications have been received from the inception of the program through June 30, 1962. Of these, no planning has been initiated on 683 which are expected to be suitable and qualified for assistance. It is estimated that an additional 450 applications will be received during fiscal years 1963 and 1964 of which 250 will be approved for planning.

The 1964 budget proposes \$5,892,000 for small watershed investigations and planning, the same amount as provided for fiscal year 1963, plus pay act increases. While no specific increase has been provided for this purpose in the bill for 1964, the Department is expected to transfer funds from watershed improvement work in whatever amounts may be necessary to proceed on all applications which are qualified and approved for

watershed planning during the coming year.

The 1964 budget states that it is proposed to start 36 new watershed projects during the coming year. The committee does not feel that any numerical restriction of this type should be placed on watershed projects. It recommends that the Department start new projects to the fullest extent possible within funds available.

Flood prevention: An appropriation of \$25,465,000 is recommended for the program for the coming fiscal year. This is an increase of \$139,150 over fiscal year 1963 and a decrease of \$111,000 in the budget estimate. This decrease results from the allowance of only 60 percent of the Pay Act increases required by this program next year.

The progress on most of the 11 major watersheds financed by this appropriation is still far behind the original schedule established in 1944. At that time it was estimated that these projects would be completed in some 15 years. Work on the Buffalo Creek watershed project in New York is now estimated to be completed in 1964. However, the remaining 10 projects will still require many more years to complete, even though it is nearly 20 years since the program was originally established. Now that local sponsors are meeting their responsibilities at increasing rates, the Department is urged to make every effort to speed up the completion of this work. Constantly increasing construction costs and salary increases, and the need for the flood protection these projects will provide, make it essential that these projects be completed at the earliest possible date.

While no increase in permanent personnel has been provided for this program, the Department should use its authority to employ temporary personnel to the fullest extent necessary to speed up the planning and installation work on these projects.

Great Plains conservation program: The bill includes \$12,994,000 for fiscal year 1964, a net increase of \$640,450 over fiscal year 1963 and a decrease of \$1,646,000 in the budget estimate. The increase will provide an additional \$586,000 for some 170 additional cost-sharing assistance contracts with the additional farmers and ranchers who wish to come into this program during the coming year. In addition, the increase provides \$62,450 for 60 percent of the Pay Act increases required by the program next year. These are partially offset by a decrease of \$8,000 due to the new data processing system. No increase in personnel is authorized.

Resources conservation and development: This new program, which was authorized by section 102 of the Food and Agriculture Act of 1962—Public Law 87-703—provides for technical assistance in planning and carrying out land conservation and land utilization projects in selected areas. Although the Soil Conservation Service is responsible for administering the work of this program, it is carried on cooperatively with other Federal agencies and departments, State and local agencies, and sponsoring organizations. Other agencies of the Department of Agriculture will share in the

work of these projects accordance with their regularly assigned functions. Governing bodies of soil conservation districts, in cooperation with other interested committees or groups, are expected to provide local project sponsorship. These projects will usually be in areas where acceleration of conservation activities is required to provide additional economic opportunities to the residents of a single district, or parts of several adjoining districts, or other geographic planning units within a land resource area.

An appropriation of \$1,200,000 is proposed to initiate this program during the coming fiscal year, a decrease of \$5,075,000 in the budget request. The amount provided includes \$200,000 to assist in formulating local plans and programs, \$500,000 for technical assistance in installing works of improvement on approved projects in selected areas, and \$500,000 to provide long-term loans to sponsoring organizations where needed to install conservation practices and works of improvement on approved projects. It is estimated that 24 additional man-years of employment will be required to carry out this program at the level approved for the next year.

ECONOMIC RESEARCH SERVICE

An appropriation of \$9,832,000 is recommended for the next fiscal year, a net increase of \$320,850 over fiscal year 1963 and a decrease of \$469,000 in the budget estimate. The increase includes an additional \$17,000 to meet increased postal costs, \$201,850 to cover 60 percent of the Pay Act increases required for the coming year, and \$110,000 for the employment of 10 additional people for research on foreign trade expansion and problems related to the Common Market. These increases are partially offset by a reduction of \$8,000 due to the new data processing system.

Foreign supply and demand studies are underway in 19 countries that are important or potential export markets. Studies are needed in additional countries and further analysis is needed of major changes in the demand for U.S. agricultural commodities in all of the areas of the world.

STATISTICAL REPORTING SERVICE

The committee recommends an appropriation of \$11,079,000, a net increase of \$1,057,150 over the 1963 appropriation and a decrease of \$473,000 in the budget estimate. The increase includes \$75,000 to meet increased postal costs, \$150,150 to provide 60 percent of the pay increases for the coming year, \$80,000 to reimburse Post Office Department for handling of rural mail surveys previously handled on a nonreimbursable basis, and \$760,000 to continue the long-range program for improvement of the crop and livestock estimates. These are partially offset by a decrease of \$8,000 due to the new data processing system.

The increase of \$760,000 is the fourth increment of the long-range improvement program started in fiscal year 1961. It will be used to place the 11 Western States, currently on a pilot basis, on a full operating basis, which will provide a full program of enumerative surveys in 35 States and will permit placing 12

Northeastern States and Florida on a pilot basis. This will give coverage for the first time in the 48 continental States.

AGRICULTURAL MARKETING SERVICE

Marketing services: The bill for the coming fiscal year includes \$37,061,000 for this purpose, a net increase of \$1,026,505 over fiscal year 1963 and a decrease of \$834,325 in the budget estimate. The increase includes \$160,000 for additional postage costs, \$733,205 to finance 60 percent of the pay act increases for the coming year, and \$250,000 to provide 32 additional poultry inspectors. These increases are partially offset by a reduction of \$116,700 due to savings resulting from the new data processing system.

Poultry production has increased steadily in recent years and the number of plants and evisceration lines has reflected this growth. The number of poultry processing plants requiring inspection has increased from 480 in 1959 to an estimated 1,086 in fiscal year 1964.

In the opinion of the members of the committee, a separate unit should be established from present funds for the administration of the Packers and Stockyards Act. Also, Department regulations for this program should be modified and revised, recognizing essential differences in areas, as suggested in previous reports of this committee. Further, the officials of this program should immediately discontinue the practice of publicizing any claim or charge against any individual or stockyard company for violation of regulations where no formal hearings have been held or penalties invoked. Hearings or penalties should be for actions in violation of regulations and not for agreements which may have been forced in the first instance.

The committee also feels that free distribution of any commodity through any food donation program should be held to such level as will not interfere with normal commercial sales or destroy the public demand for the product through commercial channels. Recent free distribution of peanut butter through food donation channels appears to seriously threaten normal commercial retail sales of this product, according to witnesses before the committee. The committee does not mean, however, to let these industries run the Department's business. It merely feels that they should have the ear of the Department in working out satisfactory solutions.

Payments to States and possessions: Federal payments, authorized by section 204(b) of the Agricultural Marketing Act of 1946, are made under cooperative agreements between the U.S. Department of Agriculture, State departments of agriculture, bureau of markets, and similar State agencies for the conduct of eligible marketing service activities on a matching fund basis. The States contribute at least half of the cost and perform the work with State personnel.

The full budget estimate of \$1,425,000 is recommended for the fiscal year 1964. This is the same amount as was appropriated for the previous fiscal year.

No increase in Federal personnel is involved in this appropriation.

Special milk program: The special milk program is aimed primarily at increasing the consumption of fluid milk by children. Nonprofit schools of high school grade and under, all nonprofit summer camps and child-care institutions devoted to the care and training of children, are eligible to participate in the program. From its inception in fiscal year 1955 through fiscal year 1962, the program was financed through advances from the Commodity Credit Corporation. The Agriculture Act of 1961—Public Law 87-128—approved August 8, 1961, changed financing to a direct appropriation beginning June 1, 1962, and extended the authorization through June 30, 1967.

An appropriation of \$100 million is proposed for the next fiscal year, a continuation of the amount expended for fiscal year 1963 and a reduction of \$2 million in the budget estimate.

In 1962, milk consumption under the program, 2.6 billion half pints, was nearly six times the quantity consumed in 1955. The volume amounted to more than 2½ percent of the total nonfarm consumption of fluid milk in the United States. This was in addition to the 2.4 billion half pints used in the school lunch type A meals.

School lunch program: The committee proposes the full budget estimate of \$137 million, plus the transfer of \$45 million from section 32 funds for the purchase of meats and other foods needed to provide balanced school lunches. This is an increase of \$12 million over the appropriation approved for fiscal year 1963. No increase in employment is authorized.

For a number of years the committee has felt that funds for this program should increase as the number of children served increases. To that end the committee this year has set the figure at a fixed reimbursement rate for the number of meals expected to be served next year. The appropriation provided in this bill has been computed on such a basis for the first time, and should continue on such basis hereafter.

In fiscal year 1962 a total of 2.4 billion school lunches were served. This increased to nearly 2.6 billion in fiscal year 1963 and is expected to increase to at least 2.7 billion during the coming fiscal year. At an average reimbursement rate of 5 cents per meal for the coming year, an appropriation of \$135 million will be required. In addition, \$2 million is provided for the regular administrative expenses of the program.

Removal of surplus agricultural commodities—(section 32): Section 32 funds are used to encourage exportation and domestic consumption of agricultural products and to stabilize market prices either through announcements that the Department stands ready to enter the market, or by actual participation in the market. Generally, surpluses are removed from the market through purchases, which are then donated to schools, institutions, and needy persons.

Language is included in the bill this year for the first time to control the use

of section 32 funds for purposes other than operation of the commodity programs authorized by basic law and for which the fund was originally provided.

The committee has also included language to permit the use of up to \$25 million by the Commodity Credit Corporation to increase domestic consumption of any basic farm commodity determined by the Secretary of Agriculture to be in surplus supply. The use of these funds for this purpose appears fully justified, since they come from import duties and the problems facing many of our agricultural commodities at present are due to the failure to use the provisions of section 22 of the Agricultural Act of 1949, as amended, to limit the importation of such products.

This action should be a real saving to the taxpayer as a result of increased domestic consumption and decreased costs. For example, an increased domestic consumption of 1 million bales of cotton alone could save the taxpayers some \$30 million or more per year. Similar savings for wheat, soybeans, and other large crops can also be made through the use of this authority.

FOREIGN AGRICULTURAL SERVICE

For the coming fiscal year, the committee recommends an appropriation of \$18,505,000, a net increase of \$1,369,730 over fiscal year 1963 and a decrease of \$534,000 in the budget estimate. Based on the total funds available to this service for fiscal year 1963, including \$3,994,000 for the special foreign currency program, this is a net reduction of \$2,624,270.

The increase recommended includes \$239,730 to finance 60 percent of the pay increases for the coming year, \$150,000 for 3 additional marketing specialists and 10 other personnel engaged in market development and trade expansion work, and \$1 million for market development projects under cooperative agreements with U.S. agricultural producers and trade groups. These are offset by a reduction of \$20,000 resulting from the new data processing operation.

The \$1 million for market development was provided by transfer from the foreign currency program in fiscal year 1963. Since no funds are being provided for the foreign currency program for the coming fiscal year, the \$1 million has been included as a direct appropriation under this heading for the coming year.

The domestic demand for farm products is expected to expand around 1½ percent in the present year, mainly as a result of population growth. Export markets for farm products are now expected to be somewhat below the high level of \$5.1 billion attained in 1961-62. One of the important factors in this expected reduction is the imposition of levies by the Common Market countries which became effective on July 30 of last year. Total U.S. agricultural exports to Common Market countries were 13 percent lower during the months of August-November 1962, than a year earlier. Exports of wheat flour were reduced 65 percent and those of poultry products dropped 40 percent.

The additional funds and personnel authorized in this appropriation are to

be used for increased market development work abroad in an effort to retain and expand dollar markets for U.S. agricultural commodities.

COMMODITY EXCHANGE AUTHORITY

The bill carries an appropriation of \$1,093,000, an increase of \$32,050 over fiscal year 1963 and a decrease of \$2,000 in the budget estimate. The entire increase is provided to cover pay act costs for the coming fiscal year.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

Expenses, Agricultural Stabilization and Conservation Service: An appropriation of \$105,737,000 is included in the bill for fiscal year 1964, an increase of \$10,314,000 over fiscal year 1963, and a decrease of \$9,207,000 in the budget estimate.

The increase includes \$4,830,000 to cover 1963 Pay Act costs financed by transfer of funds and 60 percent of the pay act increases required for the coming year. In addition, it includes \$195,000 to meet increased postage costs, \$5 million for performance checking on the feed grain and wheat stabilization programs, and \$500,000 for administration of the land use adjustment program authorized by section 101 of the Food and Agriculture Act of 1962. These increases are partially offset by a reduction of \$211,000 due to savings from the installation of the new data processing system.

The increase will provide funds to complete measurement of acreage diverted under the 1963 feed grain and wheat programs and will permit a second check on participating farms to determine ultimate use made of diverted acreage. This increase will also provide funds for acreage measurement in 1964 for wheat farmers who elect to plant within their allotments and qualify for price support, and other measurements as required by present law. No funds are included for administering the 1964 feed grain program.

Section 101, title I, Food and Agricultural Act of 1962, provides for a land use adjustment program under which payments are to be made to producers for making changes in land uses and cropping systems and for conserving and developing soil, water, forests, wildlife, and recreational resources. With the \$500,000 included in this bill for administrative purposes it is proposed to extend the pilot program initiated in 1963 to other areas of the country first, to cover a portion of the land released from the conservation reserve; and second, to extend conservation practices to other land.

It has come to the attention of the committee that county and community committeemen are being required to sign statements that they will support the programs and policies they will administer. In the opinion of a majority of the members of the committee this requirement is unwarranted and is not authorized. It has subjected the activities of the Department to severe partisan criticism. The Secretary should discontinue this requirement.

The use of any funds provided in this appropriation bill in an effort to influence the vote of any participant in any referendum on any proposed farm pro-

gram or pending agricultural legislation is not within the provisions of this Act and in the opinion of the Committee would be completely unauthorized.

Some years ago, Congress adopted legislation to assure proper security measures for the handling of crop and livestock estimates as the result of instances of premature release of information which caused considerable damage to those engaged in producing and handling agriculture commodities. Apparently the rules and regulations and security measures adopted under this law are working satisfactorily. No further criticisms or complaints have come to this committee's attention.

In view of the large volume of commodities and large amounts of funds involved in the transactions of the Commodity Credit Corporation—a \$14.5 billion corporation—and in view of their impact on commercial markets, it is the feeling of the committee that protections somewhat similar to those for crop and livestock estimates should be established for the handling of the affairs of the Commodity Credit Corporation. Therefore, it is recommended that full and complete minutes be recorded of all meetings of the Corporation and that security measures be instituted relative to actions and decisions on price support levels, purchase programs, announcements of proposed sales programs, and other significant factors. Also, it is recommended that significant actions and decisions affecting the conduct of the business of this Corporation be based on written legal opinions obtained from the General Counsel of the Department of Agriculture.

Sugar Act program: Payments are made to domestic producers of sugarbeet and sugarcane who comply with certain special requirements. To finance these payments, a tax of 50 cents per hundred pounds is imposed on all beet and cane sugar processed in or imported into the United States for direct consumption. During the period 1938–62, collections of \$1.9 billion from excise taxes and import taxes have exceeded payments by \$465.5 million. Estimated collections through fiscal year 1964 of \$2.3 billion will exceed estimated payments by \$667 million.

The committee recommends an appropriation of \$78 million for the next year, an increase of \$350,000 over 1963 and a decrease of \$2 million in the budget estimate.

Total sugar production from 1963 crops is estimated at 6,275,000 tons, an increase of 304,000 tons over production from 1962 crops. Of this increase, 250,000 tons is expected from the beet area, 50,000 tons from Hawaii, and 4,000 tons from the Virgin Islands. The increase of \$350,000 is provided to partially meet this increased production. If estimated production increases are fully realized, some additional funds may be needed at a later date.

Agriculture conservation program: An appropriation of \$215 million is recommended for fiscal year 1964 to make payments earned under the program authorized in the 1963 appropriation bill. This is an increase of \$2,100,000 over funds appropriated for fiscal year 1962,

due to greater participation in the 1963 program. It is a reduction of \$5 million in the budget estimate. Amounts due under this program are legal commitments and funds must be provided to pay all contracts entered into.

The committee has restored the 1964 program authorization contained in this bill to the regular \$250 million operating level. In 7 of the past 10 years, Congress has been called upon to restore budget cuts recommended in this program authorization.

In the opinion of the majority of the members of the committee, the funds expended through this program return to the Nation the greatest possible conservation benefits. Further, this program provides the best possible means of meeting local conservation needs in all areas of the country. It is far more effective than many other approaches adopted in recent years.

Conservation practices under this program are developed initially at the local level by ASC State and county committees, the Soil Conservation Service, and the Federal Forest Service. Representatives of the land-grant colleges, the Farmers Home Administration, State conservation committees, and other State and Federal agricultural agencies also participate in these determinations.

The recommendations of these groups are used as the basis to formulate joint recommendations to the Agricultural Stabilization and Conservation Service in Washington. From these recommendations, the various agencies of the Department in Washington develop and recommend to the Secretary of Agriculture a national program. State and local people then develop their local programs within the structure of the national program approved by the Secretary. No practices are adopted and put into effect in any State or county unless approved by the local conservation groups.

Through the years this program has been the principal stimulus to farmers and ranchers to apply needed conservation measures. It has stimulated twice as much conservation as the amount of Federal funds provided, since the farmer puts up about half the cost of conservation practices installed, plus his labor. The program has over 1 million participants each year, which is nearly 25 percent of all farming units in the United States. In 1962, there were approximately 1.2 million participants.

Since 1936, conservation measures performed under this program have made a major contribution to the total soil and water conservation effort of the Nation. Over 1.7 million dams and reservoirs have been constructed, some 26 million acres of the land have been terraced, over 111 million acres have been protected by stripcropping, about 41 million acres have been placed under proper drainage practices, over 44 million acres of range or pasture and 770 million acres of other lands have been placed under vegetative cover.

Conservation reserve program: An appropriation of \$294 million is proposed for fiscal year 1964 to pay off obligations incurred under the conservation reserve contracts still in effect. This is a de-

crease of \$10 million below the funds provided for fiscal year 1963.

Approximately 19,000 contracts covering 1.3 million acres expired as of last December. Additional contracts will expire at the end of 1963 and each year thereafter. Some of the 10-year contracts entered into in 1960 will continue through fiscal year 1970. A few of these contracts for planting of tree seedlings, which were extended 2 years beyond 1960 due to the unavailability of tree seedlings, will extend through fiscal year 1972.

Land-use adjustment program: Title I of the Food and Agriculture Act of 1962 includes authority for the Secretary to carry out long-range conservation plans with individual farms and ranchers through agreements extending up to 10 years. In addition, for calendar year 1963, the act authorizes assistance with respect to land covered by conservation reserve contracts which expired last December.

Pilot projects will be initiated in representative areas throughout the country to determine how land not needed for crop production can best be used for conserving and developing soil, water, forests, wildlife, and recreational resources. It is expected that an adjustment payment will be required to compensate the landholder for the adjustment made and also share payments to provide for the establishment of trees, grass, or recreational facilities.

During fiscal year 1963, agreements have been entered into under this pilot program totaling \$2,050,437. Further, agreements have been signed to continue conservation on over 700,000 acres of the 1.3 million acres removed from the conservation reserve program last December. It is expected that rental obligations and cost sharing on these acres will total around \$7 million.

An appropriation of \$2 million was provided in the Supplemental Appropriation Act for 1963—Public Law 88-25—to meet fiscal year 1963 costs under these agreements. The bill for 1964 includes a recommended appropriation of \$10 million to meet the costs for the coming fiscal year. This is a decrease of \$9 million in the budget estimate. Approximately \$6 million will be required to meet obligations under the agreements on the former conservation reserve land. The balance is provided to meet 1964 practice payments under 1963 pilot project agreements and to make adjustment and practice payments under agreements to be entered into during fiscal 1964.

OFFICE OF RURAL AREAS DEVELOPMENT

Rural areas development program activities are carried out by the Office of Rural Areas Development which was established by the Secretary of Agriculture's Memorandum No. 1448 of June 16, 1961. The responsibilities of the Office are to, first, provide leadership and initiative in the formulation of plans for carrying out rural development programs of the Department of Agriculture; second, coordinate and expedite the application of resources of Department agencies in assisting State, local, private, community, and farm organizations and individuals working for the improvement

of economic conditions in rural areas; third, maintain liaison with appropriate departments and agencies of the executive branch and with officials of public and private organizations to assure coordinated effort in utilization of available resources in support of the rural areas development program. The Office also coordinates work conducted by USDA agencies under the Area Redevelopment Act and the accelerated public works program, acts as liaison between USDA agencies and other Federal agencies. It also advises State and local governments in establishing projects under these programs.

On February 28, 1963, employment in the Office of Rural Areas Development consisted of 24 employees, all of whom were in Washington. This includes employees paid from funds transferred from the Area Redevelopment Administration, Department of Commerce.

For the coming fiscal year an appropriation of \$120,000 is recommended, an increase of \$32,150 over funds available for fiscal year 1963 and a reduction of \$14,000 in the budget estimate. The increase includes \$3,220 to meet pay increases during the coming year, plus funds to employ two additional persons to strengthen the coordination and administration of the Department's rural areas development program.

The rural areas development program is expanding rapidly throughout the Federal Government. Additional coordination and direction of this program must be provided if it is to meet its objectives. The additional funds are provided on the assumption that the Secretary of Agriculture will use this Office to provide the necessary coordination and direction. A large number of agencies of the Department are engaged in this program and their work must be fully integrated. Also the work of the Department must be fully coordinated with the Area Redevelopment Administration of the Department of Commerce and other Federal agencies working on redevelopment, if the rural areas are to realize the benefits of such a program.

OFFICE OF THE GENERAL COUNSEL

The committee recommends \$3,953,000 for the next fiscal year, an increase of \$98,400 over 1963 and a decrease of \$34,000 in the budget estimate. The increase will cover approximately 80 percent of the pay act increases needed by this Office for the coming year.

OFFICE OF INFORMATION

The full budget estimate of \$1,684,000 is recommended for fiscal year 1964, an increase of \$21,780 over funds provided for the previous year. The additional funds recommended are needed to meet increased postage costs and to finance 80 percent of the pay act increases needed for the coming year.

NATIONAL AGRICULTURAL LIBRARY

For salaries and expenses, the committee recommends \$1,420,000 for the coming fiscal year, an increase of \$234,680 over fiscal year 1963 and a reduction of \$275,000 in the budget estimate. The increase will cover approximately 90 percent of the pay act increases required during the coming year and will provide 20 additional man-years of employment

to meet the expanding demands upon the Library.

Research personnel of the Department continue to make additional demands on the library for more adequate library aid. As the research programs increase, expansion in library facilities and services becomes essential. To assure maximum results from the research dollars invested each year, it is essential that the additional library facilities and research information be available to the research technicians.

The committee has also included an appropriation of \$450,000 for the preparation of plans, specifications and drawings for a new library. More than 20 years' ago the inadequacy of the present library quarters was recognized. Today the problems are so severe that service is greatly impaired and publications cannot be properly preserved. Many publications necessary for scientific research are not being purchased because of lack of space and staff to store and maintain them.

It is contemplated that new library facilities providing about 240,000 gross square feet of usable space will be needed to provide adequate and efficient arrangements. Based on comparable construction costs, it is estimated that adequate facilities can be constructed for between \$6 and \$7 million.

GENERAL ADMINISTRATION

For the coming year the committee recommends an appropriation of \$3,735,000, an increase of \$338,000 over fiscal year 1963 and a decrease of \$240,000 in the budget estimate. The increase includes \$113,000 to meet 80 percent of the Pay Act increases for next year, plus \$225,000 for the new auditing, inspection, and investigation activities.

This latter amount was provided by transfer from the various agencies of the Department during fiscal year 1963. For the coming year it is proposed to finance this work by direct appropriation under this heading. The appropriations of the other agencies of the Department have been adjusted accordingly.

RURAL ELECTRIFICATION ADMINISTRATION

Loan authorization: For electrification loans during fiscal year 1964, the committee recommends the budget estimate of \$425 million, an increase of \$25 million over 1963. For the telephone loan program the committee recommends the budget estimate of \$70 million, a reduction of \$10 million below 1963. Of the amount provided for the electrification program, \$150 million has been placed in a contingency reserve, in accordance with the practice followed for a number of years.

The committee wishes to again point out that these amounts are not considered as regular appropriations, since they are merely limitations on the amount of funds which the REA may lend during the fiscal year from amounts borrowed from the Treasury and funds are not actually drawn from the Treasury until loans are approved and advance payments are made. Further, the amounts advanced are eventually repaid in full with interest.

Salaries and expenses: An appropriation of \$11,162,000 is recommended for the coming fiscal year, an increase of

\$719,800 over 1963 and a decrease of \$182,000 in the budget estimate.

The increase will provide \$431,800 to cover 80 percent of the Pay Act increases for the coming year, plus \$300,000 for the employment of 15 additional employees to implement the surveys, audits, and supervision necessary to carry out recommendations contained in the earlier discussions of REA loans. These increases are partially offset by a reduction of \$12,000 due to savings resulting from the centralized data processing operation.

FARMERS HOME ADMINISTRATION

Direct loan account: Pursuant to the Consolidated Farmers Home Administration Act of 1961, a direct loan account was established in fiscal year 1962. Collections of principal and interest on loans outstanding are deposited in the direct loan account and are available for principal and interest payments on borrowings from the Secretary of the Treasury and for making additional loans for first, farmownership; second, soil and water conservation; and third, operating purposes. Such loans may be made only in such amounts as may be authorized in annual appropriation acts.

As of the end of fiscal year 1963, it is estimated that this new account will have a balance on hand of \$167,063,969. It is further estimated that collections during next year will total \$303,084,000, which will provide total funds available for fiscal year 1964 of \$470,147,969 in the revolving fund.

The bill includes authority to use up to \$360 million of this total for loans during the coming fiscal year, \$60 million for real estate loans and \$300 million for operating loans. These represent increases of \$10 million over fiscal year 1963 for each category of loan. Of the amount provided for operating loans, \$50 million has been placed in a contingency reserve, to be used only to the extent that it becomes necessary to meet the needs of the program during the year.

Rural renewal: The rural renewal program was authorized by section 102 of the Food and Agricultural Act of 1962. The program provides technical assistance to locally initiated and sponsored demonstration projects. Loans will be made to local public agencies or groups for rural renewal development projects specifically related to conservation and land utilization. To be eligible for designation as a rural renewal area, the locality must be one of chronic underemployment on farms and unemployment in the surrounding communities and where agriculture or forestry contributes substantially to the economy.

The committee recommends an appropriation of \$1 million to initiate this program during the coming fiscal year. This is a reduction of \$1,350,000 in the budget estimate. The increase will provide funds for approximately 20 additional people to provide the technical assistance. The balance will be available for loans to local public agencies and other sponsoring groups.

Rural housing for the elderly revolving fund: This program was authorized by the Senior Citizens Housing Act of 1962, approved September 28, 1962. The act authorizes an appropriation of not

to exceed \$50 million for a revolving fund to finance the program. It also authorizes loans from the revolving fund to private nonprofit corporations and consumer cooperatives to provide modest rental housing and related facilities for elderly persons—age 62 or over—of low or moderate income in rural areas. These are direct loans, repayable in not more than 50 years. The interest is comparable to housing loans for the elderly in urban areas, which is currently running 3½ percent.

For the coming fiscal year the committee recommends an appropriation of \$2 million for this program, a decrease of \$3 million in the budget estimate. An appropriation of \$1 million is included in the Supplemental Appropriation Act, 1963 (H.R. 5517), to get this program underway. However, most of this amount will carry forward into the next fiscal year, which will provide nearly \$3 million for this purpose in the coming year.

Salaries and expenses: The bill includes a total of \$39,417,000 for the administrative expenses of this agency. Of this amount \$38,367,000 is provided by direct appropriation and \$1,050,000 is provided as a transfer from the agricultural credit insurance fund. This is an increase of \$2,588,100 over fiscal year 1963 and a reduction of \$1 million in the budget estimate. The increase includes \$850,100 to finance 60 percent of the pay act increases for the coming year, plus \$1,835,000 to employ 200 additional employees to meet the heavy workload of this agency. These are partially offset by a reduction of \$97,000 due to the data processing system.

The workload of this agency has more than doubled in the past several years. The total volume of lending operations has grown from \$309 million in fiscal year 1960 to over \$800 million in fiscal year 1963. The number of farm-ownership loans have increased from 2,502 in 1960 to 10,943 in 1962. Soil and water conservation loans are 50 percent greater in 1963 than in 1962. During the first half of fiscal year 1960, 2,795 rural housing loans were processed; during the first half of fiscal year 1963, 12,720 rural housing loans were approved. Increased farm operating costs and larger farms continue to increase the demand for operating loans.

Also, various new programs have been added to the responsibilities of this agency during the past few years, including the rural renewal program authorized by the 1962 Agricultural Act, rural housing for the elderly authorized by the Senior Citizens Housing Act of 1962, farm labor housing and rural housing repair and improvement grants. In addition, this agency handles the loans to local sponsoring organizations under the watershed protection and flood prevention programs.

Despite these heavy increases in volume of work, the personnel strength of the agency has remained about the same since 1955. Additional funds are necessary for the coming year, therefore, to strengthen county and State office staffs in the most critical areas to handle this extra workload and protect the taxpayers' investment.

The Farmers Home Administration should give special attention to the train-

ing of new employees. In order to conduct the most efficient and effective programs with a minimum of personnel, it is essential that all FHA employees be well trained and fully informed on all rural credit problems.

In addition, the committee recommends that wherever possible the agency employ temporary personnel to meet temporary or special problems, rather than to increase the number of permanent civil service personnel. In this connection, the committee has included language in the bill to permit the transfer of up to \$500,000 from the various program administered by this agency for temporary employment to meet unusual peakload conditions.

With regard to the rural housing program, the committee is proud of the record made by the Farmers Home Administration. At the insistence of this committee, this program was changed from a farm housing to a rural housing program to meet the needs of far more people. This has meant a great deal to rural people in small towns who were not previously eligible for housing loans under either the Farmers Home Administration or the Federal Housing Administration. It has come to the committee's attention in connection with the administration of this program, however, that there is a lack of uniformity in requirements as to the amount of land required for such housing units. It is recommended, therefore, that standards be established as to the amount of land required for various types of rural housing.

FEDERAL CROP INSURANCE CORPORATION

The committee recommends a total of \$10,480,000 for operating and administrative expenses for fiscal year 1964, \$6,950,000 by direct appropriation and \$3,530,000 from premium income. This is an increase of \$415,750 over funds provided for fiscal year 1963 and is a net reduction of \$210,000 in the budget estimate. The increase includes \$115,750 to cover 60 percent of the pay increases for the coming year and \$300,000 for an additional 20 man-years of service to expand the program, as contemplated by the long-range crop insurance program. Since the program is operating on a sound financial basis and has a surplus of premiums over indemnities, the committee feels that it should be extended to as many areas as possible to spread the coverage and reduce the risk.

The program will be available in a total of 1,196 counties in fiscal year 1964, an increase of 100 over 1963. In addition, insurance on additional commodities will be offered in 150 counties previously in the program. This will make a total of 300 new county programs for fiscal year 1964, and will increase participation to 430,000 crops, an increase of 25,000 over the number insured during fiscal year 1963.

COMMODITY CREDIT CORPORATION

Reimbursement for net realized losses: An appropriation of \$2,500 million is included in the bill to restore capital impairment of the Corporation for the fiscal year 1962. This is an increase of \$221,545,000 over fiscal year 1963 appropriations and a decrease of \$299,400,000 in the budget estimate.

The Department is urged to continue to increase competitive sales of commodities on hand. Three recent sales of cotton for export resulted in sales of approximately 550,000 bales of cotton worth approximately \$70 million. Additional sales of cotton and other commodities should provide additional funds for the operation of the Corporation in amounts equal to or in excess of the reduction in appropriations recommended for the coming year. Also, the inclusion of authority to use \$25 million of section 32 funds by the Corporation to increase domestic consumption of commodities determined to be in surplus supply should provide additional income to the Corporation during the coming year by reducing costs.

The major elements of the costs for fiscal year 1962—for which the 1964 budget is proposed—are as follows:

	Thousands
Storage and handling-----	\$393,257
Transportation-----	134,051
Interest expense-----	290,651
Administrative and program expenses-----	91,044
Commodity export payments-----	244,180
Donation programs-----	481,268
Nonfarm benefits-----	1,634,451
Price support operations-----	1,164,949
Total costs-----	2,799,400

It will be noted from these figures that nearly 60 percent of the expenditures under this program during fiscal year 1962 went to groups other than farm producers. These nonfarm benefits went to warehousemen, transportation companies, exporters, consumers, and other groups not directly a part of the farming segment of our economy.

Limitation on administrative expenses: The committee recommends the budget request of \$41,650,000 for the coming year for administrative expenses of the Corporation. This is a reduction of \$1,538,500 in the limitation authorized for fiscal year 1963, due to the closing of three regional commodity offices and increased employee productivity. The total employment for the Agricultural Stabilization and Conservation Service including CCC operations will be some 736 man-years less in fiscal year 1964 than in the current year.

FOREIGN ASSISTANCE PROGRAMS

The full budget estimates have been provided for sales for foreign currency and emergency famine relief under Public Law 480, and for the bartered materials for the supplemental stockpile program. These amounts are substantially below funds appropriated for fiscal year 1963, including the supplemental funds contained in Public Law 88-1, approved March 6, 1963.

The amount provided for long-term supply contracts under Public Law 480 is a reduction of \$26,485,000 in the budget estimate. It will provide the same amount of funds as made available for fiscal year 1963, \$40 million, plus \$12,515,000 to finance prior year costs not previously covered by appropriated funds.

The amount included in the bill for the international wheat agreement is an in-

crease of \$5 million over fiscal year 1963 appropriations and a reduction of \$6,138,000 in the budget estimate. This amount will provide \$65,562,000 for estimated costs in fiscal year 1964, as compared to \$77,549,844 in fiscal year 1963, and \$20,656,000 for unreimbursed costs for prior years. The volume of shipments in 1964 is estimated at the same level as 1963. However, a decrease in payment rates is expected which will decrease the amount needed for the coming year's program.

The use of foreign ships for the shipment of a portion of commodities under Public Law 480 and other foreign assistance programs has again been brought to the attention of the committee. In view of the balance-of-payments deficit facing the United States, it is recommended that American vessels be used for the shipment of commodities under this program to a much greater extent than at present.

FARM CREDIT ADMINISTRATION

Limitation on administrative expenses: Since December 4, 1953, the Administration has been an independent agency under the direction of a Federal Farm Credit Board—12 U.S.C. 636. The Administration, originally created by Executive Order No. 6084 on May 27, 1933, was transferred to the Department of Agriculture on July 1, 1939, by Reorganization Plan No. 1.

On December 31, 1962, the Administration had 225 full-time employees of whom 105 were in Washington. The 120 field employees are farm loan registrars, reviewing appraisers, and farm credit examiners.

The full budget request of \$2,785,000 is provided for fiscal year 1963, an increase of \$153,500 over the previous fiscal year. The increase is required to meet the additional pay costs during the coming year, lump-sum leave payments, and other costs which, due to the small number of employees, cannot be absorbed by a delay in filling vacancies. No additional employees are proposed for next year.

GENERAL PROVISIONS

The general provisions contained in the accompanying bill for fiscal year 1964 are essentially the same as those included in previous appropriation bills.

Section 601 authorizes the purchase of 515 passenger motor vehicles during the coming year. This will permit the replacement of 498 vehicles which have reached the Government-wide replacement standard of 6 years or 60,000 miles. It will also permit the purchase of 17 additional vehicles for the use of the Agricultural Research Service, Soil Conservation Service, Foreign Agricultural Service, and Statistical Reporting Service.

Mr. MATTHEWS. Mr. Chairman, I want to thank the gentleman from Mississippi [Mr. WHITTEN] and his committee, on the bill they are presenting to the House today. I should like to point out a problem that favors the Extension Service.

I am concerned about the funds for cooperative extension work in the Department of Agriculture's budget.

There never was a time when rural people needed a strong Extension Service more than today. They need these dedicated workers to provide knowledge from our land-grant colleges and the USDA to help them make adjustments in their farm businesses, adopt improved systems of marketing farm products, improve family living, and develop economic opportunities in rural areas. This educational program is essential to making research and other programs to help rural people effective.

We in the Congress, the Department of Agriculture, and farm people have long looked to the cooperative extension agents to do this job. The Department considers them cooperative employees, and looks to them as the educational arm of the Department.

I understand that the average salary of these cooperative extension agents is about \$6,800 and I do not believe the State extension directors can continue to employ or hold the kind of agents we must have for that low salary.

State and county governments are recognizing this need. Since 1950 the increase in local support for cooperative extension work has been more than double that provided by Federal Government.

This Congress has laid down a very solid principle of raising salaries of classified Federal service to keep them in line with salaries in business and industry. The administration has been strong for that principle. The 1958 Pay Act made clear that it is the sense of Congress that appropriation for cooperative extension work should include additional amounts to provide increase in the Federal part of cooperative extension salaries corresponding to increase provided classified Federal service employees.

I am disappointed that the proposed Agriculture Department budget this year did not follow that principle and recommend an increase in appropriations to pay the Federal part of salary increases for cooperative extension agents in line with the salary increases in the classified Federal service.

I surely hope that Congress will correct this inequity and provide pay increases for our dedicated Extension Service people in line with the pay increase principles we have already established for other classified Federal service employees.

I enthusiastically support appropriations for the Soil Conservation Service.

The subcommittee, under the able chairmanship of the distinguished gentleman from Mississippi, has, I think, performed a great service for soil and water conservation and its friends over the years.

At the time the subcommittee was conducting hearings on items in the Soil Conservation Service program, I, along with many others from both sides of the aisle and many others outside the Congress, testified before the committee in behalf of the budgeted requests.

In my statement at that time I said: I sincerely trust that you will see fit to use your able leadership and influence in supporting this program.

As a member of the Committee on Agriculture for the past 8 years and as a former staff member of the University of Florida, I have intimate knowledge of the value of the great work of soil conservation districts and of the small watershed program. The Soil Conservation Service provides districts with soil surveys, technical assistance in problems of land use, in the proper use of soils, and in the application of soil and water conservation practices. The small watershed program is one of the finest tools provided by Congress in recent years and is accomplishing a great deal of good.

Mr. Chairman, the work that soil conservation districts do, and the small watershed program, benefits all citizens—not just landowners and operators—not just farmers.

Conservation work must stem from local leadership organized to meet local problems. It cannot be handed down by the Federal Government and be successful.

The true role of the Federal Government is one of helping the local people who want to help themselves, and organize and equip themselves to do so.

I know of no finer example of the proper relationship between the people

and their government than the local soil conservation district. This partnership, which was created by and has been fostered by the Congress, is now 25 years old. It is respected around the world. It has come to be accepted as the finest mechanism of its kind ever devised for the people and their government to cooperate in an undertaking that is vital to the present and future welfare of our country.

Mr. Chairman, our demands for national defense and the conquest of space are burdensome—and they must be met.

But we have a solemn obligation not to neglect the basic natural resources that have made this Nation great—our soil and water assets—without which there would be no need for, nor any purpose in, national defense and the conquest of space. We must still live with-in and upon our land and water resources. We must keep them strong, for in them is our real strength.

I am concerned that we are not able to provide more funds now for soil conservation districts and for the construction of watershed projects. I feel confident, however, that we shall continue to make progress in this area that means so much to all America.

Mr. HORAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, to a man who is hopelessly lost in the hinterlands there are some rules that can help. If there are trees he can roughly observe which way is south or north by the nature of the bark. If he finds a stream, he knows that water runs downhill and usually to inhabited country. If he finds himself in a swamp, and fiscally that is where I think we are, we need landmarks. That is just commonsense.

I think it well to apply some commonsense to our consideration of money bills. The one we bring to you today could have been cut much more, yet, it is based upon authorizations that this body has passed and when considered in the full light of what the other body may do, I feel it is a measurement of funds with which we can live and which we can defend in conference.

There are some major factors that I think should be kept in mind in the consideration of any money bill.

First. The size of our national debt. It exceeds the national debts of the nations of the entire world by \$24 billion, and of the free world, our assumed Allies, by \$102 billion.

Trend of increase in gross national product, Federal expenditures, national debt and population, 1948-63

Year	GNP (calendar years)		Administrative budget expenditures (fiscal years)		Administrative budget surplus or deficit (—) (fiscal years)	Cash budget expenditures (fiscal years)		Cash budget expenditures as percent of GNP	Gold reserve U.S. Treasury (calendar years)		National debt (fiscal years)		U.S. population	
	Amount	Per cent	Amount	Per cent		Amount	Per cent		Amount	Per cent	Amount	Per cent	Number	Per cent
	<i>Billions</i>		<i>Billions</i>		<i>Millions</i>	<i>Billions</i>			<i>Millions</i>		<i>Millions</i>		<i>Millions</i>	
1948.....	\$269.4		\$33.0		\$8,419	\$36.5		14.07	\$24,244		\$252,292		146.6	
1949.....	258.1		39.5		—1,811	40.6		15.73	24,427		252,770		149.2	
1950.....	284.6		39.5		—3,122	43.1		15.14	22,705		257,357		151.7	
1951.....	329.0		44.0		3,510	45.8		13.92	22,695		255,222		154.3	
1952.....	347.0		65.3		—4,017	68.0		19.59	23,187		259,105		156.9	
1953.....	365.4		74.1		—9,449	76.8		21.01	22,030		266,071		159.6	
1954.....	363.1		67.5		—3,117	71.9		19.80	21,713		271,260		162.4	
1955.....	397.5		64.4		—4,180	70.5		17.73	21,690		274,374		165.3	
1956.....	419.2		66.2		1,626	72.6		17.31	21,949		272,751		168.2	
1957.....	442.8		69.0		1,596	80.0		18.06	22,781		270,527		171.3	
1958.....	444.5		71.4		—2,819	83.4		18.76	20,534		276,343		174.2	
1959.....	482.8		80.3		—12,427	94.8		19.63	19,456		284,706		177.1	
1960.....	504.4		76.5		1,224	94.3		18.69	17,767		286,331		180.7	
1961.....	518.7		81.5		—3,856	99.5		19.18	16,889		288,971		183.7	
1962.....	553.6		87.8		—6,378	107.7		19.45	15,978		298,201		186.6	
1963 estimated.....	578.0		94.3		—8,811	116.8		20.20	15,878		303,494		188.5	
Cumulative deficit, 1948 through 1963.....					\$43,612									
Increase:														
1948-63.....	318.6	122.0	61.3	186.0		80.3	220.0		—8,366	—34.5	51,202	20.3	41.9	28.6
1950-63.....	293.4	103.0	54.8	139.0		73.7	171.0		—6,827	—30.1	46,137	17.9	36.8	24.3
1955-63.....	180.5	45.4	29.9	46.4		46.3	65.7		—5,812	—26.8	29,120	10.6	23.2	14.0
1960-63.....	73.6	14.6	17.8	23.3		22.5	23.9		—1,889	—10.6	17,163	6.0	7.8	4.3
1961-63.....	59.3	11.4	12.8	15.7		17.3	17.4		—1,011	—6.0	14,523	5.0	4.8	2.6
1962-63.....	24.4	4.4	6.5	7.4		9.1	8.4		—100	—6	5,293	1.8	1.9	1.0

¹ Feb. 28.

² Bureau of the Census estimate as of Mar. 12, 1963.

NOTE.—1963 gold reserve data is as of Feb. 28.

Source: Economic Report of the President, January 1963. Budgets of the U.S. Government. Treasury Department bulletins and daily statements.

Second. The enormity of our commitments already made. Just roughly they are:

[In billions of dollars]

Unfunded retired civilian employees of the Government.....	30
Accrued military pensions.....	40
Commitments to veterans for future pensions and compensation (even this is incomplete).....	300

Commitments involving housing, maritime shipping, highway program, unfinished public works, unpaid military supplies to be met in the future..... 150

Existing public debt and, of course, the annual interest of more than \$10 billion..... 300

Total..... 820

But this is not all. Add \$250 billion for

actuarial imbalance of obligations under social security. This could add up to \$300 billion, as the future unfolds, for a total of \$1,070 billion.

These costs lurk in the background as we consider annual costs—and should be on our minds when we authorize new programs.

Third. Add to this the problems of gold and silver in balances of payments, the reported decline in the measurements of our foreign trade, and you will cease

to listen to those who say, "Oh, this great country can afford anything, can weather any storm." Inflation, of course, feeds upon itself, and each drop in the pur-

chasing power of the dollar brings the demand for higher retirement pay, welfare money, and for greater costs of everything, including government.

Administrative budget expenditures, 1955 to 1964

[Amounts in millions of dollars]

Fiscal year	National defense		Veterans		Agriculture		Interest		All other expenditures		Total expenditures	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
1955	40,695	63.0	4,522	7.0	4,388	6.8	6,438	10.0	8,346	13.0	64,389	100
1956	40,723	61.2	4,810	7.2	4,868	7.3	6,846	10.3	8,977	13.6	66,224	100
1957	43,360	62.4	4,870	7.0	4,546	6.5	7,307	10.5	8,883	12.9	68,966	100
1958	44,234	61.5	5,184	7.2	4,419	6.1	7,689	10.7	9,843	13.8	71,369	100
1959	46,491	57.6	5,287	6.5	6,590	8.2	7,671	9.5	14,303	17.8	80,342	100
1960	45,691	59.1	5,266	6.8	4,882	6.3	9,266	12.0	11,434	14.9	76,539	100
1961	47,494	57.8	5,414	6.6	5,173	6.3	9,060	11.0	14,384	17.6	81,515	100
1962	51,103	57.8	5,403	6.1	5,895	6.7	9,198	10.4	16,186	18.4	87,787	100
1963 estimated	53,004	55.9	5,545	5.8	6,731	7.1	9,782	10.3	19,250	20.4	94,311	100
1964 estimated	55,433	55.9	5,484	5.5	5,695	5.7	10,103	10.2	22,087	22.4	98,802	100
Including 1955 to 1964	14,738	36.2	962	21.3	1,308	29.8	3,665	56.9	13,741	164.6	34,413	53.4
Including 1960 to 1964	9,742	21.3	218	4.1	814	16.7	837	9.0	10,653	93.2	22,263	29.1
Including 1962 to 1964	4,330	8.5	81	1.5	-199	-3.4	905	9.8	5,901	36.5	11,015	12.5

NOTE.—Details may not sum to totals due to rounding.

Source: The Budget of the U.S. Government, 1964.

There is no logical way to stop this inflation save by living within our income. As our chairman on Appropriations, the gentleman from Missouri [Mr. CANNON], has said "Stop spending money we do not have for things we can get along without."

Fourth. In this bill as it came from the Budget we have some interesting items: \$212 million just to administer our agriculture stabilization programs; nearly \$850 million to fund our free food programs, donations at home and abroad; \$463 million for storage; \$290 million interest on commodity credit operations; \$134 million for transporting commodity credit inventories.

When it is all added up we crowd \$200 million for research in 273 locations in this land of ours.

We spend \$37 million to administer the farmers home loan program.

I mention these in order to show you that there are costs that we do not always think of when we casually read about this or that Government program in the paper.

We have made friends with Public Law 480 which, in many cases, must be considered as a gift. We have made friends in critical countries with Public Law 480 activities which must be considered as gifts of wheat and other commodity credit stocks. We have done enormous good with our research although it must be admitted that sometimes our research reases the complications of greater production and, to the individual operator, the problem of the cost of what he has to buy in order to utilize research. However, I am for research. But, like all good things, there is a limit to how much we can afford.

I am much in favor of the Farmers Home Administration and consider it to have a great record of sound administration, and the record also shows that it has saved many honest and industrious farmers whose credit ratings had temporarily slipped.

As we go through the bill, almost without exception, I am aware of and appreciate what is being done in our great Department of Agriculture. However, it rests upon the shoulders of those of us who serve as your Committee on Appro-

priations to attempt to bring some balance into the expenditure of public funds and to inject, if possible, some wise measure by which Government spending can avoid waste, duplication, and obsolescence.

While I have said that I believe this bill before you could have been cut further, I do feel that indirectly we have in many instances provided language in the report which will have the effect of eliminating waste, duplication, obsolescence, and unwise projects.

Usually the language in the report is respected by those who administer appropriated funds. I have informal assurance that if the language in this report is not carried out in spirit and in fact that next year we will write this language in ink instead of water. However, to make doubly sure that this language is properly interpreted, I would like to ask the very able chairman of our subcommittee some questions.

I have been given formal assurance that if the language in this report is not carried out in spirit and in fact, that next year we will write this language in ink and not in water. However, to make doubly sure that this language is properly interpreted, I and others that I know of will ask questions of the very able chairman of this subcommittee in order, in a sense, to beef up this report.

Much has already been said about REA and of the attempts to make them comply with the law and to interpret the law clearly so that we know what we are doing. More questions, I am sure, will be asked. I think a good job is done here in the report to clarify this. I merely want to read one section of this report that I think ought to be clarified still further. This is the paragraph on page 8 in which it stated:

It is the opinion of the majority of the members of the committee that the Congress in providing for section 5 loans intended also that they should not be made where local private business can meet the need or where it is determined that the local borrower will provide unnecessary competition. The Administrator should also certify to the Secretary as to the necessity for section 5 loans.

Under the act it is very broad and section 5 loans can be made for almost

anything. I would like to ask the chairman if this language means exactly what it says.

Mr. WHITTEN. Yes, it certainly does. We in the subcommittee cannot rewrite the law, as the gentleman knows, but we did feel through this report we could spell out sound business practice and call on the Department to follow it. That is what we do here. In the certification of the Secretary, what it amounts to is that the Secretary will be familiar with what the agency does. In effect it means somebody will check it and you will have a record of what really occurred, on which you can deal with this subject next year.

May I say at this point I had a call this morning from the office of the REA Administrator saying "We mean to carry it out fully, and we hope to have the staff set up and start the first of July doing exactly what your committee asks us to do."

Mr. HORAN. I want to bring to the committee's attention right now the vast unfairness in so many fields of using borrowed Federal money as venture capital. It is not fair to the private investments that exist in any given community. Yet, under some of these programs we make it possible to use Federal money as venture capital at low interest. I have a case here of 2 percent money. This happens to be, if you are interested in it, on page 2521 of part 4 of our hearings. Here is a case of a loan made by the REA to the Jackson Electric Membership Corp. of Gainesville, Ga. I have here two letters from ice companies, refrigerator storage companies, already existing in Gainesville; namely, the City Ice Co. and the Best Ice & Locker Co., Inc.

Gainesville is often called, the broiler center of the world, and a good deal of their refrigeration goes into the quick freezing of broilers, these two companies claim that they are able to meet all of the needs of Gainesville. Despite that fact, a corporation down there could not borrow from SBA, could not borrow from the local banks, went to the REA and got a loan of \$137,000. They went outside the city limits of Gainesville—Gainesville is a city in excess of 12,000 people

and REA cannot operate in cities bigger than 2,500—built a plant and got started. After that they went to the Small Business Administration and got a loan of some \$150,000. As far as I can tell, this is a clear infraction of the very thing that the language of this report is attempting to clear up.

Mr. Chairman, under permission previously granted, I shall put this matter in the RECORD at this point:

BEST ICE & LOCKER CO., INC.
Gainesville, Ga., May 14, 1963.

HON. WALT HORAN,
U.S. Representative,
State of Washington,
Washington, D.C.

DEAR MR. HORAN: Permit me to congratulate you on the enclosed news item from the Atlanta Journal dated May 9, 1963 concerning REA.

Attached you will find copies of correspondence we had with REA in May 1962 concerning the new freezer plant for Gainesville and I might add that since that time the City Ice Co. has enlarged its storage facilities by an additional 17,500 square feet. This loan to a local group was approved in September 1962 and approximately 60 days ago, they began work on the plant.

I believe that you will find that our letter of May 16, 1962, is self explanatory and I just wanted to send this on to you and I might add I have heard nothing further from REA other than their letter of May 24, 1962.

Thanks for your efforts and if there is any additional information you desire, please do not hesitate to call on us.

Yours very truly,

GERALD GARRARD,
General Manager.

MAY 16, 1962.

DIRECTOR,
The Rural Electrification Administration,
Washington, D.C.

DEAR SIR: The purpose of this letter concerns the financing and building of a quick freezer and cold storage plant in the area of Gainesville, Hall County, Ga. It is our understanding that a loan application has been made by a group from Gainesville to build this freezer plant for the handling of poultry products.

We would like to acquaint you with the present facilities that are available in Gainesville, Hall County, Ga., and the services being provided by the City Ice Co., and the Best Ice & Locker Co., Inc. Approximately 6 million pounds are available for zero cold storage and 340,000 pounds are available for quickfreezing poultry products every 24 hours. Both of these firms represent a considerable investment of private capital and have been in business here for a number of years; namely, City Ice Co., 35 years and Best Ice & Locker Co., Inc., 11 years.

During 1961, City Ice Co., built a new storage plant from private funds which covers a space of 17,500 square feet which is in addition to their other plant located on Main Street and it is believed that with the facilities (three freezing plants) available through these two firms that it is ample to meet the requirements of the poultry industry. The cold storage business in Gainesville due to its location from a distribution standpoint is 95 percent poultry products and the seasonal trend over a period of years indicates that approximately 6 months of the year is operated at 50 percent or less capacity. With the problems facing the poultry industry, namely, the tariff on the Common Market shipments, it is believed that this will seriously effect the volume of freezing and cold storage of poultry products.

We do not object to competition but we sincerely feel that the present facilities here will be more than ample to meet the requirements of the Gainesville area and both firms have studied the market very closely and are prepared with investment funds to meet any expansion programs necessary in the poultry business.

We would welcome a visit from your representative to inspect our plants and facilities and any other information you desire concerning the needs of the poultry industry in the Gainesville area.

Yours very truly,

BEST ICE & LOCKER CO., INC.

U.S. DEPARTMENT OF AGRICULTURE,
RURAL ELECTRIFICATION ADMINISTRATION,
Washington, D.C., May 24, 1962.

MR. GERALD GARRARD,
General Manager, Best Ice & Locker Co., Inc.,
Gainesville, Ga.

DEAR MR. GARRARD: We have your letter of May 16, 1962 in regard to the existing cold storage and freezing facilities in Gainesville, Ga., and the proposal of the Southeastern Freezer Corp., to build additional facilities in this vicinity.

Thank you for your letter and please be assured your comments will be considered before final action is taken on this application.

Sincerely yours,

RICHARD A. DELL,
Acting Administrator.

CITY ICE CO.,
Gainesville, Ga., May 25, 1963.

Representative WALT HORAN,
House Office Building,
Washington, D.C.

DEAR MR. HORAN: I was interested in your comments on the REA type loans and your mention of such a local project. We happen to be an established business which will no doubt suffer because of this Government largesse. We built the first Gainesville freezer in 1943 and we have enlarged our facilities just as fast as demand justified. In 1951 a competitive freezer was built by local men. Both companies have expanded from time to time as we could see the demand ahead. So far as we knew there were no reasonable unsatisfied demands here.

For over 2 years another local group without experience in the cold storage business has wanted to get into this business in competition to the two existing firms. They were unable to get together sufficient finances until they ran across the REA money. I understand that they were granted \$137,000 and later also obtained a SBA loan for around \$150,000. They have established their business just outside the Gainesville city limits where an REA line had served a home in the past. They are going after the same business which we are serving.

In support of the depressed areas program (which was considered in this instance because some of the surrounding counties are so classified), the officials count up the many jobs which are created. Mr. Clapp states that the local project will create 50 jobs. However, as I have pointed out to Senator Russell, the storage business is thoroughly mechanized and the size storage which they are building can afford to employ only 10 or 12 people when it gets into full occupancy. Unless the volume of business in the community actually grows there will be a loss of employment from existing facilities as a portion of the business is taken over by this new one. Mr. Clapp says, "We are making an effort to call to the attention of local people the desirability of trying to assist existing operations to expand, etc." However, there was no public statement whatsoever from Mr. Clapp, REA, Georgia Agricultural College, or anyone else until the accomplished fact was announced in the granted loan.

The new freezer construction was announced to cost \$490,000. This is a misrepresentation nowhere near the truth and is apparently an inflated estimate used to get a big loan. And, as I understand it, a \$2,000 cold storage door can be included in an REA loan request because it happens to have a \$20 motor to actuate it.

It is, of course, too late for us to have any relief from this new competition made possible by Federal money. However, I wish to speak out against such unfair practices which penalize existing business to promote new schemes and competition.

Your views as recently expressed are much appreciated.

Very truly yours,

C. J. ROMBERG.

RURAL ELECTRIFICATION
ADMINISTRATION,
Washington, D.C.

HON. RICHARD B. RUSSELL,
U.S. Senate.

DEAR SENATOR RUSSELL: We appreciate the opportunity to comment on the enclosed letter from Mr. C. J. Romberg of the City Ice Co., Gainesville, Ga.

The consumer facility loan to the Jackson Electric Membership Corp. of Jefferson, Ga., was made under authority of section 5 of the Rural Electrification Act of 1936. This section provides that "the Administrator is authorized and empowered *** to make loans for the purpose of financing the wiring of the premises of persons in rural areas and the acquisition and installation of electrical and plumbing appliances and equipment." REA, as you know, has been making this type of loan since adoption of the Rural Electrification Act in 1936.

The \$137,000 provided in the loan to Jackson will be reloaned at 4 percent interest to the Southeastern Freezer Corp. of Gainesville to finance the wiring and installation of electrical refrigeration equipment in the company's new freezer, cold storage, and processing plant. Financing for the building has been arranged through private sources. The loan will run for 10 years and the cooperative has assumed full responsibility for its repayment.

This plant will improve the financial position of the cooperative through increased usage of electricity, the basic purpose of section 5 loans.

REA makes section 5 loans only when credit is not available at reasonable rates from local banks or other lending institutions, public or private. This particular loan was approved after careful investigation of the need for another plant of this type in the Gainesville area. The enterprise has support from the Georgia Agricultural College at Athens, from county agents in adjoining counties, and from Department of Agriculture specialists. We were assured that this new enterprise is needed and will prove beneficial to the economy of the area. About 50 local persons will be employed in the plant when it reaches capacity operation. Seven of the adjoining counties have been classified as eligible for rural redevelopment assistance.

We are pleased to provide this information.

Sincerely yours,

RICHARD A. DELL,
Acting Administrator.

RURAL ELECTRIFICATION
ADMINISTRATION,
Washington, D.C., November 13, 1962.

HON. RICHARD B. RUSSELL,
U.S. Senate.

DEAR SENATOR RUSSELL: We are glad to answer your request for a report on the enclosed letter from Mr. C. J. Romberg, of the City Ice Co., in Gainesville, Ga. As you know, Mr. Romberg's letter of October 26 is in response to our comments on a previous letter which he had written.

Mr. Romberg refers to the Jackson Electric Membership Corp.'s "2-percent rakeoff in interest at the expense of the general public." It is true that REA is lending money to the Jackson Electric Membership Corp. at 2 percent, while Jackson is charging 4 percent. It should be noted, however, that the Jackson Electric Membership Corp. is obligated to repay this money to the Federal Government even if it should fail to collect from the Southeastern Freezer Corp. Despite the most careful feasibility checks, REA borrowers are taking certain risks on such financing for new enterprises, particularly since this financing is available only after refusals from other lending sources.

The question was also raised as to why the needs filled by Southeastern Freezer Corp. were not called to the attention of persons with existing freezer and storage facilities. In REA's work in the development field, we are making an effort to call to the attention of local people the desirability of trying to assist existing operations to expand and point out the various advantages of making this the first part of any development program. We believe that this emphasis will be increased by various local and State groups. Once an application is made, however, it would obviously be improper for REA or any other Government agency to take the proposal of the applicant and try to interest others in doing what the applicant entrepreneur proposes to do.

The project is located in Gainesville rather than in adjoining counties because this location was the one proposed by the applicant corporation. REA section 5 loans are not restricted to the areas designated for assistance by the Area Redevelopment Administration.

There may be differences of opinion as to the number of people who will be employed by the Southeastern Freezer Corp. We should note, however, that the loan was approved by REA under section 5 of the Rural Electrification Act of 1936 which is not tied to the creation of employment but designed to increase the use of electricity and strengthen rural electric systems so that they can provide electric service at reasonable rates to all rural residents without it. A fortunate side benefit, however, is the stimulation of the local economy.

We hope it will be possible for both the City Ice Co. and the Southeastern Freezer Corp. to prosper in an improving economy in the Gainesville area.

Sincerely yours,

Administrator.

Mr. HALEY. Mr. Chairman, will the gentleman yield at that point?

Mr. HORAN. Certainly, I yield to the gentleman from Florida.

Mr. HALEY. I want to state to the gentleman and to the Chairman of the Committee that I think they have done a good job with what they have to work with. After all, there are obligations that the Congress has passed and sent to the committee and they must do something about them. It is my understanding that this appropriation bill carries \$5,979,457,000. Additional authorization obligation, however, in the bill, totals \$1,334,379,000. So that in this bill we are fixing to spend \$7,313,835,000; or to put it down on a unit basis we are now spending of the taxpayers' money in this program \$1,976 for every farm unit in the United States. Is that substantially correct?

Mr. HORAN. Yes.

Mr. HALEY. And this amount that the Federal Government proposes to spend is approximately 50 percent of the

entire income that the farmers of the United States received in 1962; is that correct?

Mr. HORAN. I thank the gentleman for his observations. For years now, of course, we have had any number of requests for new laboratories throughout the United States, despite the fact that there are already existing 273 locations in the United States, and that does not include land grant colleges. It may include subdivisions of them.

I am reading now from the second paragraph on page 11, I will say to my Chairman:

From this report it would appear that many demands each year for new research laboratories or new and expanded research projects, most of which would require funds above the budget, could be and should be met with existing facilities, and to a large degree with existing personnel and funds.

Mr. WHITTEN. Mr. Chairman, if the gentleman will yield, he and I have been together through the years and have recognized the need for new facilities. We have been together when we had them forced upon us when we could not see the need for them. I am glad to comment on what the gentleman has said. He and I are in accord on that statement as well as the statement on the preceding page where we list the order in which these things should be done.

I am glad the gentleman has given me the opportunity to point out that he and I, as well as other members of the subcommittee, have taken pride in this. Several years ago we provided \$1 million in contingency research funds, in order to meet the type of emergencies that may come up, and so that the Department, every time one of our colleagues goes down there with a problem in his district, will not be able to say to him, "Get us some more money and we will do the work."

The Department has a 7 percent transferability, and has a \$1 million special fund with which to meet these problems.

There is no excuse for not being helpful in trying to move in and take care of this. I am glad to join with my colleague and say that whenever a new laboratory is constructed it takes 5 years to get results.

Mr. HORAN. I want to comment here that while there has been some juggling and adjusting done in the Commodity Credit Corporation and stabilization group, it has become apparent to our subcommittee that a couple of our Commodity Credit Corporation problems come from the failure to move what they have in storage. They let it stay there until it stacks up so high it scares them.

Mr. WHITTEN. For the record, the Commodity Credit Corporation is charged by law with doing a number of things. It has several sources of funds to carry out its responsibility. It can increase its domestic foreign sales. That is on way of meeting the obligations placed on it by the Congress. The second is by capital restoration, for which our subcommittee recommends funds to the Congress each year. Either way, the funds are available to carry out their responsibilities.

Mr. HORAN. There is one very interesting thing that I think might point up some of this. Tobacco produced in 1955 had not been sold. The net result was that when they did sell it they suffered a great loss. It represented a loss of \$80 million to the American taxpayers.

Mr. WHITTEN. I might also recall that the committee raised serious questions about offering this commodity at a fixed price. I am glad to report that subsequent to our hearings and report, in connection with the latest sale, they are in the process of offering it to the highest bidder, which is a much improved procedure.

Mr. HORAN. I should like to call the attention of the committee and my chairman to the wording two-thirds of the way down page 15 of the report:

In the opinion of those who testified on this subject before the committee, the Department should consider requiring mandatory dipping of all sheep transported in interstate commerce in order to control scabies.

This should be done, I think, in conjunction with the State departments of agriculture. But I have been assured by my colleague, the gentleman from Texas [Mr. FISHER], that this would go a long way toward the eradication of scabies and the prevention of scabies to other States.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield.

Mr. SMITH of Iowa. I think we should clear up more here with reference to the amount of dollars spent per farm. I am sure the gentleman will agree that a lot of the money here does not go to the farmer but on the contrary actually reduces farm income. For example, when we have research centers, such as we have in Ames, Iowa, engaging in research to reduce diseases in swine; but every time we reduce diseases, it results in an increase in the supply of pork. Increased supplies of hogs mean cheaper prices for pork and help the consumer. An increase of 1 percent in the supply of pork will result in a reduction of 3 percent in the price of live hogs and less net income for a greater total supply. It is not fair to say this total budget is for the farmers, because a lot of it is for consumer services and some of it actually reduces the total income of the farmers and helps the consumer.

Mr. HORAN. That shows you can argue things both ways.

As to meat inspection, the committee report has this to say:

Although this activity has grown up under the Agricultural Research Service, the Department should consider moving it to the Agricultural Marketing Service, since it is clearly related to marketing rather than to research. This would lead to closer coordination with poultry inspection and some monetary savings.

I do not doubt but that joining the administration of these two programs would save some money. I would like to have my colleague comment on that, if he would.

Mr. WHITTEN. We suggested a study of the possibilities. I think some coordination or some amalgamation of this in-

spection work needs clearly to come about. At the outset of poultry inspection the poultry people were afraid that they would be absorbed by the old line red meat inspection group. With time I think those fears have disappeared.

It strikes me that meat inspection is a physical thing and is not research at all. And the suggestion as to the possibility of putting it into marketing is as far as we go. Already we are beginning to hear from vested interests, and by that I mean those who are well acquainted with and accustomed to having it under the Agricultural Research Service. I can understand that they do not want to change. We did not say to change it, but we suggested that the possibilities of it be studied. I think it is a fact that they are just used to it, and it is a fact that motivates them.

Certainly, they will be given a chance to be heard. If we had desired to put them together, the committee could have done so. Of course, I do not know whether they would have stayed together because the Congress might have undone it. At any rate we just recommend for them to do what appears to be appropriate after having heard those who are directly interested.

Mr. HORAN. I hope and trust that the appropriate Committee on Agriculture of the House would hold hearings on the whole field of meat inspection because the people have a right to demand that their meat be inspected.

Right now we are spending out of the common public purse of the American people probably in excess of \$50 million just for this service. There is room for argument on both sides of this question.

I received this wire this morning which shows at least what these three packing houses feel about this. This is from three packing houses in St. Louis and I know all of the gentlemen who signed it.

It says:

ST. LOUIS, Mo., June 5, 1963.

HON. WALT HORAN,
Member of Congress,
House Office Building,
Washington, D.C.:

The House Committee on Appropriations approved a reduction in the budget request of \$864,000 for Federal meat inspection and recommended transferring meat inspection from Agricultural Research Service to Agricultural Marketing Service.

We urgently request that you vote against the reduction and against the transfer.

The reduction in the budget will result in an actual reduction in inspection staff (which we need).

On the jurisdiction question—meat inspection belongs where it is because the primary function of meat inspection is the protection of public health and elimination of animal diseases, under research and not under marketing. If there is a marketing aspect, it is strictly secondary.

ST. LOUIS LOCAL MEAT PACKERS.
HEEL PACKING.
HUNTER PACKING.
KREY PACKING.

Well, it can be argued that marketing comes first and that the disease angle is secondary.

Mr. WHITTEN. Meat inspection does not have anything to do with the elimination of disease. It is for protection of public health. All we suggested was that a study be made.

Mr. HORAN. I have also received this comment from Mr. Blaine Lillienquist of the Western Meat Packers Association:

The cut is going to hurt. It will increase the cost of slaughtering when there are not enough inspectors to keep the plants operating. Overtime is involved as well. Also, this is a public health service to assure all consumers that the meats they consume are from healthy, disease-free animals. It is essential that we protect the public with the best possible inspection and, actually, this is the best argument for not transferring the meat inspection service from research to marketing. It should remain in research where it serves as a protective measure.

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman.

Mr. KYL. Perhaps I misunderstood the gentleman from the irrigated areas of the great Northwest. In further regard to the question posed by the gentleman from Iowa and the cost involved here, I think we ought to clarify a point. When we look over the list of expenditures here, we have such things as school lunch programs, school milk programs, rural housing, which is nonfarm housing, the contributions to the foreign aid program both through the supplies and technical assistance and so on. These expenditures cannot in fact be charged to the farmers even though this is an agricultural appropriation. Is that not correct?

Mr. HORAN. The only fault with the American farmer is that he is just too efficient, I will say to my colleague from Iowa, and I am happy to be a Representative of a rather large agricultural area with many fine producers.

Mr. KYL. If the gentleman will yield further, it is rather misleading, if not illogical, to say we are spending X number of dollars in the Department of Agriculture and this means that \$1,040 is going to each farm in the United States? This is an illogical conclusion, is it not?

Mr. HORAN. I think so.

Mr. REIFEL. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from South Dakota.

Mr. REIFEL. I think, added to that, would be the Public Law 480 expenditures which are indirectly foreign aid but which is charged to the farmers and which should not be so charged. I think the record ought to show that.

Mr. HORAN. The record should, and I think it does not when we consider the foreign aid bill. We ought to add those totals to what we appropriate as foreign aid, which totals we do not add now. These amounts—and they run over \$1 billion—are not added to the foreign aid program and are not considered as a part of the appropriation.

Mr. REIFEL. Will the gentleman yield further?

Mr. HORAN. Yes.

Mr. REIFEL. The record should show that this amount was figured in the colloquy between the gentleman from Washington and the gentleman from Florida—that all of this or so much of it is charged to the farmer, which should not be done. It should be clarified that some of this should be charged to the

foreign aid program although it is not being done, but appears to be charged to the farmers. That should be cleared up in the record, in my opinion.

Mr. HORAN. It should be.

Mr. HORTON. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from New York.

Mr. HORTON. I note in the bill which calls for an appropriation of approximately \$6 billion that approximately 40 percent of this is for reimbursement to the Commodity Credit Corporation or some \$2.5 billion.

Would the gentleman comment on the large proportion of the appropriation that is set aside for the Commodity Credit Corporation and indicate whether or not he feels there is any chance in the future to reduce this amount?

Mr. HORAN. Well, in the colloquy which I had with the chairman of the subcommittee, the gentleman from Mississippi [Mr. WHITTEN], on the need for stepping up sales of stored inventories under the Commodity Credit Corporation, that is about the only way we can reduce this thing.

We did not have any trouble with the Commodity Credit Corporation, until about 1951, because we were feeding a good share of the world then with the commodities which we produced here. However, this has happened since that time.

As of now I do not see much chance of greatly reducing the Commodity Credit Corporation's capital structure. We have had to repair it from time to time. That is, of course, what this money is designed for.

Mr. HORTON. If the gentleman will yield further, of course a good part of this expenditure by the Corporation is for subsidies on farm prices; is it not?

Mr. HORAN. Well, the Commodity Credit Corporation, of course, places loans on produced crops. So I suppose you could call it that under price supports, or call it whatever you wish.

Mr. HORTON. Mr. Chairman, the bill, H.R. 6754, we are considering would appropriate approximately \$6 billion for the U.S. Department of Agriculture for fiscal year 1964.

Other than expenditures for national defense and interest payments on the public debt, this appropriation is the largest single item in the spending of Federal funds.

Within the agriculture budget, we find close to half of the entire amount is intended to reimburse the Commodity Credit Corporation for its losses. Specifically, this amounts to \$2.5 billion or 42 percent of the total amount recommended in this bill.

What are these losses which the Government reimburses? In a word, the answer is "subsidy." The Commodity Credit Corporation anticipates a "red ink" operation in its price support and other programs of \$2.5 billion in fiscal year 1964. This is 10 percent above their deficit spending of the current fiscal year.

Both the legislative and executive branches of the Government have been challenged by the decisive action of the Nation's farmers in defeating the wheat

referendum to develop programs promptly that will terminate Government intervention. Policies of forcible equalization through Government controls, price supports, and cash subsidies have seriously upset our agricultural economy.

This welfare policy approach has built a false economic structure. Neither the capital invested by the Government nor farm production are adjusted to and regulated by the total domestic and foreign demand.

The solution lies in restoration of freedom of decision to farmers in the use and management of their land, and to permit agriculture to achieve a balance between its products and its markets. Government control and support will not produce a free market.

(Mr. HORTON asked and was given permission to revise and extend his remarks.)

Mr. HORAN. Mr. Chairman, the Committee on Appropriations of course is given the responsibility of making these recommendations to the House. I would like to ask my subcommittee chairman a question:

It is our responsibility to see where the expenditure of all Federal funds goes, and what is done with them. Yet in this bill we have \$40 million or so recommended for the State experiment stations. We just passed an authorization bill which came out of the Committee on Agriculture which will provide x numbers of dollars in next year's appropriation bill for additional facilities.

Now, we find, without going through the Department of Agriculture, the Bureau of the Budget, and without reporting to us that our State experiment stations have been getting—well, in 1962 they got \$15.5 million of Federal funds from other departments.

In the current fiscal year, \$16½ million. In the committee report it is stated:

The land grant colleges are the basic agricultural centers and their cooperative agricultural research is highly essential. In addition, they are doing research for the Department of Defense, Atomic Energy Commission, Department of Health, Education, and Welfare, and others, through grants and contracts totaling \$15.5 million in fiscal year 1962 and over \$16.5 million in fiscal year 1963. The committee believes that these extra activities should not be allowed to adversely affect their regular agricultural research work. The committee requests that full information showing amounts of such grants and contracts to the State experiment stations and the purposes of the research be presented each year in as much detail as possible as a part of the supporting material for the regular annual Federal appropriation.

I would like to have some comment from my colleague from Mississippi [Mr. WHITTEN]. This appropriation for State experimental stations has risen from \$19 million in 10 years to now it is crowding \$60 million. This is another case of an extremely valuable facility, a State

experimental station, but where do you stop? That is the question before us. They do good work, and I would like to have some comment on that from my chairman.

Mr. WHITTEN. We were in accord that at any time, in dealing with this Department or any other, we should know what funds are available to any State group for any particular purpose. We thought it well, however, that all of the activities and all of the funds be brought together where we could see them, so that Congress could see them.

Mr. HORAN. This is one place where we have not completed our work in cataloging all of the research that is done. We have all the facts in several Federal research fields and during our recitation of those facts was actually embarrassing to some of our witnesses who were unaware of all that was being done, as the gentleman may recall.

Mr. WHITTEN. In our hearings we brought together the facilities, the locations, the number of activities, so that we would have a place where you could go and see what we were doing now. May I say to the gentleman, as chairman of this subcommittee for 12 to 14 years, I believe I can truthfully say 99 percent of the people coming to me as chairman, asking for a research funds increase, have not known what we were already doing in that area.

Mr. HORAN. That is right, and we intend to follow through on that and get the answers so that we can properly report to the House of Representatives.

Mr. Chairman, there are other things I would like to interrogate my colleague, the gentleman from Mississippi [Mr. WHITTEN] on, that involves the loyalty oath, that involves other matters that I think should be discussed, but I have used all the time I think it fair for me to take.

Mr. Chairman, I now yield 30 minutes to the gentleman from Illinois [Mr. MICHEL].

(Mr. MICHEL asked and was given permission to revise and extend his remarks.)

Mr. MICHEL. Mr. Chairman and members of the Committee, today we are talking about a bill that involves on its face something in the neighborhood of \$6 billion. I thought it might be well at this particular juncture to remind my colleagues that the total expenditures for the Department of Agriculture for the fiscal year 1960 were \$5.4 billion; in 1961 it had risen to \$5.929 billion; in 1962 it had risen to \$6.668 billion; and in 1963, the fiscal year in which we are today, we will close the books on June 30 with total expenditures for the Department of Agriculture totaling \$7.493 billion, an increase on the expenditure side of \$2 billion over the period of roughly 3 years. So, when the Secretary of Agriculture tells the country that we are operating the Department of Agriculture and all its activities

at a lesser rate than when he took over, these figures will refute those statements, and I would remind my colleagues that these figures have all been checked out with the budget officer of the Department within the last 2 or 3 hours.

Now, may I also say with respect to the personnel of the Department of Agriculture, you have something like 116,000 people working for the Department as of last year, and there is a request for better than 5,000 more this year. The report deals with this subject on page 5, and it indicates that we have had a total increase of 17,664 man-years, nearly 37 percent, since the year 1954.

May I say, too, in this area of the number of employees in the Agricultural Stabilization Service, we made a recent study in Illinois, headed up by Mr. George Theim, formerly with the Chicago Daily News, for the Illinois State Chamber of Commerce, which showed that when you add up all the full- and part-time employees for the ASCS in Illinois alone, my home State, we have one of those part-time or full-time employees for every 19 farm operators, I say this is cause for concern for those of us who must fund this bill each year.

I think it also fair to point out, as has been indicated here by several people, that not all of the funds in the agricultural appropriation bill go directly to the farmer. If you look closely at the report, you will see that \$1.889 billion of that goes for foreign assistance or other activities abroad. Now, there are two ways of looking at this. You can say "Oh, we should not be so concerned about these surpluses because we are sending most of it abroad, giving it away, in effect, for local currencies, to the tune of about \$2 billion a year." On the other side, however, if we did not have those surpluses in this country to the extent that we do, the chances are we would not be selling them abroad for local currencies, which are, in effect, a net loss to the American taxpayer, when we have to come back each year and replenish the Commodity Credit Corporation's capital impairment.

Mr. Chairman, while on paper it looks as though we are cutting this bill some \$389 million, I would say in all frankness that it will not stand up through the fiscal year. Mark my word the Department will be up here with supplementals totaling anywhere from a quarter to a half billion dollars more. I am going to insert a table for the fiscal years 1960 through 1963 which shows what has happened in these years when we have made phony cuts in this CCC capital structure account. These are net realized losses which must be met and there is no way to duck them, couch or hide them from public view. The only trouble is it has never been brought to light until a year or so after the fact, but I intend to keep the spotlight on this from time to time.

U.S. Department of Agriculture estimates and appropriations for foreign assistance programs and Commodity Credit Corporation net realized losses, fiscal years 1960-63

	Budget estimate	House bill	Senate bill	Act
Fiscal year 1960:				
Reimbursement for CCC net realized losses:				
Department of Agriculture Appropriation Act.....	\$1,535,424,413	\$1,435,424,413	\$1,435,424,413	\$1,435,424,413
2d Supplemental Appropriation Act:				
Unrestored balance of 1958 capital impairment.....	100,000,000		100,000,000	100,000,000
Partial restoration of 1959 capital impairment.....	575,000,000		575,000,000	575,000,000
Public Law 480 (titles I and II).....	1,072,524,000	1,072,524,000	1,072,524,000	1,072,524,000
Other foreign assistance items.....	192,875,000	192,875,000	192,875,000	192,875,000
Fiscal year 1961:				
Reimbursement for CCC net realized losses:				
Department of Agriculture Appropriation Act.....	1,325,000,000	1,226,500,000	1,226,500,000	1,226,500,000
3d Supplemental Appropriation Act.....	1,017,610,000	(2)	1,017,610,000	
Public Law 480 (titles I and II):				
Department of Agriculture Appropriation Act.....	996,000,000	988,094,000	988,094,000	988,094,000
3d Supplemental Appropriation Act.....	1,608,685,000	(2)	1,608,685,000	
Other foreign assistance items:				
Department of Agriculture Appropriation Act.....	471,992,000	455,522,000	455,522,000	455,522,000
3d Supplemental Appropriation Act.....	1,251,953,000	(2)	251,953,000	
Second Supplemental Appropriation Act:				
Fiscal year 1962:				
Reimbursement for CCC net realized losses:				
Public Law 480 (titles I, II, and IV):				
1961 costs.....	1,608,685,000	1,608,685,000	1,608,685,000	1,608,685,000
1962 costs.....	251,953,000	251,953,000	251,953,000	251,953,000
Other foreign assistance items:				
1961 costs.....	1,464,368,000	1,404,319,000	1,404,319,000	1,404,319,000
1962 costs.....	246,481,000	195,681,000	195,681,000	195,681,000
Fiscal year 1963:				
Reimbursement for CCC net realized losses:				
Public Law 480 (titles I, II, and IV):				
Department of Agriculture Appropriation Act.....	1,747,000,000	1,370,632,000	939,000,000	1,370,632,000
Supplemental appropriation (title I).....	508,172,000	508,172,000	508,172,000	508,172,000
Other foreign assistance items.....	439,935,000	206,218,000	108,517,000	206,218,000

¹ These items were shifted from the 1962 original budget for consideration as 1961 supplemental appropriations. Since they were not approved by the Congress, they were subsequently appropriated in the 1962 Agricultural Appropriation Act.

² Submitted directly to Senate.

In addition, under the school lunch program, which benefits our urban and city centers around the country, there is \$137 million in this bill, plus \$45 million transferred from section 32 funds.

For the school milk program, that benefits the city children, there is \$100 million. For all of the area of research activities, including meat and poultry inspection, there is something in the neighborhood of \$175 to \$180 million, or in total, something like \$2,300 million, or \$2,400 million, in which the urban centers share in this agricultural appropriation bill.

This brings me to another point. With 400,000 people a year leaving the farms and coming into the cities and the urban centers which are moving out into the rural areas, we have problems ahead. Some of the areas in which we find the Department of Agriculture engaging, it seems to me would be a responsibility which would more appropriately lie in the Department of Commerce or in the Department of the Interior. We find under the Watershed Protection Act now that the people of Los Angeles are thinking seriously of a watershed protection program for the city of Los Angeles. In the area of flood control, this does not only benefit the farmers, but a number of the big urban centers.

When you talk about the Rural Electrification Administration, five out of six new customers of the REA lines are urban dwellers. They are getting the benefit of a low interest rate from the Government.

This brings me to the testimony of the Secretary of Agriculture when he came

before our subcommittee. I had to make the point in the hearings that never before had I heard a Secretary of Agriculture talk about so many things other than agriculture. The Secretary talked about rural area development, which was in effect, slum clearance.

He mentioned specifically; industrialization of our rural areas; recreation, such as golf courses and fishing ponds; the food stamp plan, manpower retraining, nonfarm employment, and housing for the elderly. All of these things took up two-thirds or three-fourths of the Secretary's testimony before our subcommittee in his prepared statement. So we are at that point where we find agriculture blossoming out into all other areas.

You will notice in the report one of the first specific items given treatment was the REA program. I want to skip over this at this point and come back to it because I have some very serious things to say about that, but let me go on in our report in chronological order here. For example, on page 9 of the report on research we find sums are being earmarked for research on corn, peanuts, rice, tobacco, cotton, and wheat.

I think it should be pointed out in these areas that much of this money for research is disproportionate to the amount of total dollar volume of the particular commodity. A little later on I hope to give some up-to-date figures other than those which show in the report, bringing for example, corn, cotton, wheat, and the other basic commodities, more realistically in line with what conditions do exist today as against the last

figures which were available for insertion in this report.

On page 14 of the report it says specifically that as of February 28, 1963, there was in Commodity Credit Corporation stocks of corn totaling \$1,049 million; cotton—upland—totaling \$810 million; and wheat totaling \$1,998 million.

As of April 30, a more revised date, we find that there is a considerable improvement on corn. It is now down from better than \$1 billion to \$779 million. Cotton is at the same level of \$810 million. Wheat has increased from \$1,998 million to \$2,294 million. If I may turn to page 25 of the report and page 17 of the bill, that has to do with the food stamp plan. The administration wanted something in the neighborhood of \$51 or \$52 million to implement this pilot program.

Mr. HORAN. \$51,500,000.

Mr. MICHEL. The gentleman corrects me, \$51.5 million. We, by vote of the committee, reduced that figure to \$40 million. Personally, I am opposed to the entire program but in the interest of compromise we have done something in the way of cutting back this figure.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I am glad to yield to the gentleman from Iowa.

Mr. HOEVEN. Mr. Chairman, I wish the gentleman, with reference to the food stamp plan, would advice the committee what was the original purpose of the food stamp plan. Was it not to get rid of surplus agricultural commodities?

Mr. MICHEL. This is true. But now we see it being used in many areas apparently as a political gimmick, to satisfy large masses of people. I think we disclosed that in the last year, in 26 new areas or congressional districts in which this plan was put into effect, 25 were held by Democratic Members of the House of Representatives.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield further?

Mr. MICHEL. I am delighted to yield.

Mr. HOEVEN. Mr. Chairman, I am glad the gentleman emphasized that point because it has now become entirely a welfare program and is no longer concerned with the disposal of surplus agricultural commodities. It has gone very far afield.

Mr. MICHEL. There is no question about it. My concern is, if this is broadened further, we never will be able to come back to any normal balance in it.

Mr. HOEVEN. Also I want to remind the gentleman that this entire program apparently is still in the pilot stage. No one knows what the costs and implications of such a program would be if it became nationwide.

Mr. MICHEL. That is so true, Mr. HOEVEN, and now I would like to turn to page 28. There is one sentence which says that "no funds are included for administering the 1964 feed grains bill." This comes about as a result of the section which was deleted, during the debate on the feed grains bill, through my amendment. I might say, however, that there was some question as to whether or not this involved only administrative expenses or all the funds involved in the

1964 feed grains bill for payments to farmers.

The opinion of the Solicitor, Mr. Bagwell, of the Department, dated April 26, to Secretary Freeman, the day after the bill passed the House, was that it only involved administrative expenses. The other body in their report, dated May 9, specified this and so we are open here in effect to an interpretation by the Department's own Solicitor rather than taking the legislative history as we developed it on the floor of the House.

On page 29 there is discussed the matter of agricultural conservation payments. I understand that there will be an amendment offered to this at a later time by the gentleman from Pennsylvania [Mr. MOORHEAD], so rather than take the time of the House at this point I shall defer on that other than to say that in my committee I reserved on that point.

In years passed I sponsored amendments to cut it because I cannot see any sense in a good measure of it and will support the gentleman's amendment when it is offered.

On page 30 of the report we talk about the conservation reserve program. The committee points out that there are 1.3 million acres of land in the conservation reserve as of December 31, 1962, which has now come out of the reserve. The report does not say that in this year, 1963, there will be 6 million acres additional coming out of the reserve. The question that comes to our mind is this: What do we do with those 6 million acres? Do they go back into production or do we arrive at some payment figure to keep them out of production again for another three, five, or any number of years that we might arbitrarily set? The point is, it is going to cost an additional sum over and above what we are appropriating in this bill to do that job, or the results will bring about increases in production.

On page 31 of the report the matter of rural areas development comes into play. Personally, I am opposed to this program. I think we are just opening up the door here to another real boondoggling operation. Frankly, some of the folks who testified before the committee who are in charge of coordinating the activities here really have no final say as to whether or not a project is good or bad. All they are is a collection agency for information, facts and figures, and the decision as to whether or not a project gets an OK comes topside. I think that ought to be clarified.

Now, if I might turn to this area of rural electrification, may I say this is the first year in which our committee has taken such a strong position in our report. I would like to draw your particular attention to a number of the points that have been made by our chairman, who authors the subcommittee report. May I point out to you page 7 where we talk about these standards that have been established with respect to financial reserves of rural electrification co-ops.

Several years ago we found that these cooperatives were borrowing money at 2 percent and reinvesting it in Government

securities bearing interest in excess of 2 percent, sometimes as much as 4 percent or more. These new regulations now provide for investment of reserves of REA co-ops in a special Treasury note bearing an interest rate of 2 percent. REA co-ops have taken advantage of this to the extent of \$23 million. What I want to point out is that over and above this there are \$289 million of REA co-op funds reinvested in Government securities bearing an interest rate in excess of 2 percent. This is not right, and it ought to be stopped immediately.

Mr. BECKER. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. Always glad to yield to the gentleman from New York.

Mr. BECKER. As the gentleman knows, I have for years been fighting to amend this Rural Electrification Act to force REA to pay the going rate of interest, about which the gentleman has just been talking, where the REA has been borrowing at 2 percent and the Government, the taxpayers, have to pay as high as 4 percent, with the REA investing its surplus in Government funds.

On page 8 of the report it is stated:

With regard to any further generation and transmission loan approved, the Administrator should certify to the Secretary of Agriculture that each of these steps has been taken and that the private supplier had been given an opportunity to make the contract reasonable, specifying the details, and had refused or failed to do so.

This is a weapon over private power. Nor do we know when private power does not comply with the qualification of REA.

Mr. MICHEL. I had an amendment prepared to this bill which I could not get accepted by the committee because it was suggested that a point of order would lie against it. Because of that fact I have today introduced legislation that would call on the Agriculture Committee to take action in this area.

In answer specifically to the gentleman, we found that we never could get anything in writing from REA. You can ask the cooperative and they will say the power companies are lying. I cannot take the position on either side unless I have all the necessary data. When I ask REA and say, "What have you got in writing and what is your offer?" I cannot find anything in writing except in a few instances. To correct this situation, I say that there is an opportunity under the Administrative Procedures Act for a hearing examiner to hear both sides under oath.

Mr. Chairman, the REA program has become the most controversial program confronting the Congress today. It has become controversial because the present Administrator and staff of the Rural Electrification Administration are using this program to build a Federal empire and to advance economic philosophies in a manner never contemplated or intended by the drafters of the 1936 REA Act.

The situation, in my opinion, has reached the point where we must do something to bring this freewheeling Federal agency under control. I think

we owe it to our constituents, to the taxpayers of the Nation to demonstrate in some concrete fashion that our great system of checks and balances can and does function when the need arises.

With these thoughts in mind, as I mentioned, I have today introduced a bill which I think is eminently reasonable and which will, I hope, do something to restore some semblance of rationality in the REA program as well as provide a measure of restraint and control over the REA Administrator.

My bill is directed at two key phases of the REA program. The first phase relates to the granting of generation and transmission loans. The second phase relates to the question of the interest rate on REA loans.

It is in the granting of G. & T. loans where the Administrator has been particularly guilty of deviating from the intent of the law as originally spelled out by Congress. Aided by a cloak of secrecy he has been able to make G. & T. loans during the past 18 months which go completely contrary to the intent of the law. He has made these loans not as an unbiased Administrator with a broad responsibility to the public but as a partisan advocate of an economic philosophy which I believe the American public is opposed to—the philosophy of expanding the role of government in our lives.

I would draw the attention of my colleagues to a bill introduced in the other body earlier this week which is designed to remove the secrecy from the operations of Government agencies. This bill has been sponsored by 14 Senators and in a statement they have issued they point out that "the public is helpless if it cannot obtain the facts about its government." I cannot think of any non-defense agency where this is more true than in the REA today.

I would also point to the comments of the former Chairman of the Federal Communications Commission as reported in the Star on June 4. Mr. Minow urged the President to divide the FCC's functions between a single Administrator to be responsible for policy decisions and an administrative court to conduct hearings and render judicial decisions on industry controversies. He maintained, and I agree with him, that it is not possible for an Administrator to be a good judge on Monday and Tuesday, a good legislator on Wednesday and Thursday, and a good Administrator on Friday. While REA is not a regulatory agency, it seems evident to me that some separation of functions is called for.

In order to provide the safeguard that events have indicated is now necessary, my bill proposes that any future G. & T. loans cannot be approved until the Secretary of Agriculture has held a public hearing in which all interested parties are given an opportunity to appear and testify. This hearing is to be conducted by hearing examiners appointed pursuant to section 11 of the Administrative Procedure Act and it provides for appeal to the courts.

I might point out that the review procedure set forth in my bill is that which was proposed by a special committee ap-

pointed by the Judicial Conference set up in 1942. This committee was appointed pursuant to a request by Chief Justice Stone for a study of the review procedure of administrative agency orders. This committee, composed of a distinguished group of judges, after 3 years of careful study and consideration evolved a mode of judicial review designed to provide the most expeditious and satisfactory means of disposing of these cases.

This method fits the present problem perfectly.

Mr. Chairman, I consider that my bill is eminently reasonable. It does not say to the Administrator that he shall not make any such G. & T. loans in future, but it does spell out certain procedures and criteria which he shall follow in making these loans so that at the very least he has to establish a sound justification for his actions. This objective is in keeping with the justification used by Congress in passing this act. It was, perhaps, most clearly stated by an earlier Administrator of the REA, Mr. Claude Wickard, in 1950, when he said:

The Rural Electrification Administration will make loans to finance the initial construction of generation facilities and transmission facilities only under the following conditions: (a) where no adequate and dependable source of power is available in the area to meet the borrower's needs, or (b) where the rates offered by the existing power sources would result in a higher cost of power to the borrowers than the cost from facilities financed by REA.

Some time later, Mr. Wickard wrote an article which also contains a very clear expression of intent of the REA which I would like to quote:

The Congress, by expressing endorsement of the REA policy, indicates that G. & T. loans shall be used to help the farmers of America get electric power in the most reliable manner at the lowest possible cost. For REA to deviate from this policy—either by refusing to make loans or by making those that do not meet the requirements—would obviously be contrary to the will of the people as expressed through the Congress.

Another section of my bill calls for an amendment to the act to restate the criteria for the granting of G. & T. loans. I think this is extremely important in the light of the fact that the present Administrator has seen fit to modify the criteria as originally spelled out and as quoted by Mr. Wickard above. The present Administrator is using the G. & T. program to build steam plants to augment Federal hydroelectric power. He is using them as a weapon against established electric companies not necessarily to get a lower cost of power—but actually to put electric companies out of business.

The so-called third criterion which the Administrator adopted in 1961, is the kind of device which can be used with far-reaching consequences by any Administrator who so chooses. Congress cannot stand by idly and let this pass. My bill seeks to correct this situation.

Finally, in the very sensitive area of the interest rate on REA loans, my bill proposes a course which I believe solves this difficult problem in a manner that is fair to all. It will insure that the

farmer for whom this program was intended will continue to derive the benefit of 2-percent money. What my bill proposes is to leave all distribution loans—and bear in mind that this is primarily the kind of loan REA is supposed to be making—at the 2-percent rate. But under my bill all generation and transmission loans will have to be computed at an interest rate that is comparable to the rate paid by the Treasury on its marketable obligations which bear maturity dates comparable to the 35-year period of REA loans.

As my colleagues are well aware, the interest on long-term Treasury money is somewhere in the area of 4 percent. When Congress set the rate at 2 percent in 1944, it had no intention whatsoever of making this permanent. Nevertheless, we in Congress have allowed ourselves to be mislead into accepting the 2-percent interest rate as something unalterable. The legislative history shows that this is not true. I want to state again, very emphatically, that my bill does not change the rate for distribution loans from the present 2 percent. It changes the rate only for generation and transmission loans which now are being used more and more for purposes that have nothing to do with rural or farm electrification and to benefit nonfarm, nonrural customers and commerce and industry.

One of the problems that has confronted those of us who are genuinely concerned about the direction in which REA is going is that when this question of what to do about REA comes up year after year in connection with the agency's requests for money, we are told that correcting the situation is a matter for the legislative committees and not the appropriations committees. Here is the opportunity in my bill to get this matter before a legislative committee.

Mr. Chairman, a veil of secrecy shrouds this entire agency. We cannot find out the real truth. We find that they avoid putting in the record and the proceedings in which they have these negotiations as to what is a fair and reasonable rate. It is a terrible thing to have cooperatives maligning the private power companies for not coming up with a reasonable rate when they do not specify what they regard as a reasonable rate.

I can cite some examples here where they are completely off base.

Mr. BECKER. I agree with the gentleman. At this very moment the private utility companies of this Nation are paying hundreds of millions of dollars in taxes to the Federal Government in order that the REA might exist.

Mr. MICHEL. That is true.

Mr. BECKER. I mean that is the tragedy of what is going on.

Mr. MICHEL. I may say that down in Florida an REA co-op bid on power to the Eglin Air Force Base. The Air Force gave a rural electrification cooperative the contract to build lines parallel to a private utility to the Eglin Air Force Base because the Air Force in determining the low bid did not take into account the fact that the co-op got 2-percent money and that it did not pay taxes. If they took that into account, they could

not conceivably be competitive with private power companies in distributing power to Eglin Air Force Base. That is one example. Let me cite another one.

In Iowa, where the REA directors and officers have used money to build their own houses at a rate of 4 percent while the commercial banks in the area obviously could not lend money for home mortgages at 4 percent. That is wrong.

I can cite a case in Arkansas where, frankly, the rural electrification was completely off base on the amount of money that would be charged in mills per kilowatt hour as against what the private power company could supply in justification for a generation and transmission loan.

Just yesterday before the Appropriations Committee of the other body in open hearings the chairman of the Southwest Power Administration in testifying was interrogated along these lines by the very able and astute Senator from Louisiana [Mr. ELLENDER]. Following are portions of that incorrect testimony.

The testimony follows:

COLLOQUY BETWEEN SENATOR ELLENDER AND DOUGLAS WRIGHT, ADMINISTRATOR OF THE SOUTHWESTERN POWER ADMINISTRATION REGARDING REA LOAN TO UPSHUR COOPERATIVE OF GILMER, TEX.

Mr. WRIGHT. Now, gentlemen, mine is not the decision as to whether REA should build a generating plant or not. But I would tell you what those people (Upshur Co-op) could have bought for under this contract that we made available to them. (Mr. Wright is referring here to the Texas-Louisiana contract where SWPA power is wheeled to cooperatives by private companies.) They could have bought it for 6.2 mills and—

Senator ELLENDER. Well, is that as cheap or cheaper than if they were to generate it?

Mr. WRIGHT. I know of no generation station, no G. & T. in the country who without a great deal of benefit through integration with companies that deliver power cheaper than 8 mills per kilowatt-hour.

COLLOQUY ON PROPOSED \$54 MILLION REA LOAN TO LOUISIANA ELECTRIC COOPERATIVE

Mr. WRIGHT. They (the cooperative) have been offered a rate of 6.5 mills a kilowatt-hour on a 10-year contract without fuel adjustment. One of the cooperatives in Louisiana, I believe the largest in the world, has signed such a contract and is receiving its power at that rate. Now, I am told that gas prices are stabilized—and I was rather amazed that that stabilization happened at the time that I was to appear before this Appropriations Committee—but they are stabilized now in the gulf coast area to where even the 6.5 mill rate offer may be changed to a six-and-a-quarter-mill rate offer * * *. Now, answering your question, Mr. Senator, as to whether or not—I think they can generate it and with all the advantages they can secure from us in competition with the 6.5 or 6.4 mill rate—my judgment is that they cannot.

Senator ELLENDER. Well, what is your opinion as to the cheapest they could manufacture it or produce it?

Mr. WRIGHT. My judgment is that if they do it for 8 or 7.5 to 8 mills a kilowatt-hour, they will be doing mighty well.

Senator ELLENDER. So if that plan should go through, in order to be able to receive this loan, it will simply mean that the users of the electricity that they serve will have to pay more than they were now paying for obtaining this electricity from privately owned utilities, as has been the case with the Southwestern Louisiana Co-op—would you agree to that?

Mr. WRIGHT. That is correct.

This loan was made under the third criteria which just says, "To protect the integrity or effectiveness and security of the co-op." I think that is wrong.

Mr. BECKER. May I say to the gentleman I intend to offer an amendment to cut out one part of this bill, on the REA, and I will be able to substantiate it by a statement in the report by the Appropriations Committee. I shall offer the amendment at the proper time.

Mr. MICHEL. I thank the gentleman for his contribution.

I want to emphasize that in the bill which I have introduced today, in addition to providing for an open hearing, so that the Congress and the general public can get the facts, we are not eliminating the authorization of moneys or eliminating the generation and transmission program but only requiring that the REA prove their case in the public light.

I also think it is important to point out that in my bill, I provide for the continuation of 2-percent money for distribution lines but loans for generation and transmission will be at the going rate of interest. When the REA Act was first enacted, it was to give electricity to the farmer. Ninety-eight percent of the farms now are electrified and today we see that out of this \$400 million that was appropriated last year, 65 percent is going not for distribution but rather for generation and transmission. I say it is wrong, particularly when these loans are granted under the third criteria as against the first and second which I feel are reasonably good grounds upon which to grant loans.

At this point I will be glad to yield to anyone who has any questions.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Illinois.

Mr. FINDLEY. The gentleman referred early during the debate to the language in the bill, near the top of page 17, and also to language in the committee report which appears at about the center of page 25 thereof.

This language in the committee report is particularly intriguing to me, because as a member of the Committee on Agriculture I can report that our committee has recently reported out a cotton bill which would authorize a subsidy to other than the producer, possibly the mill, and in the committee report on page 25 are these words:

For example, an increased domestic consumption of 1 million bales of cotton alone would save the taxpayers some \$30 million or more per year.

It is curious that the language which appears on page 17 of the bill would authorize the transfer of \$25 million to the Commodity Credit Corporation to be used to increase domestic consumption of any farm commodity. But the first farm commodity mentioned in the committee report is cotton. It is also interesting to note that a bale of cotton weighs 500 pounds. A subsidy of 5 cents a pound would figure out at \$25 a bale. Using the 1-million bale figure which is used on page 25 of the committee report, multiplied by \$25 per bale, it would come out exactly to \$25 million.

My question is this: Does it appear to the gentleman possible that this is an example of legislating with an appropriation bill and authorizing a \$25 million cotton subsidy program here today, even despite the fact that the Committee on Agriculture has taken action to report out similar legislation on which the House itself has not had the opportunity to work its will on the enabling legislation?

Mr. MICHEL. In answer to the gentleman from Illinois may I say that I raised the question with my subcommittee chairman, the gentleman from Mississippi [Mr. WHITTEN] earlier in the debate. I do not believe I did it nearly as well as the gentleman, who is much more knowledgeable on the cotton facet than I am.

May I ask the chairman of the subcommittee again to develop this? I would have to say frankly that if we are doing what the gentleman from Illinois [Mr. FINDLEY] says can conceivably be done by this appropriation bill, then I will have to raise a point of order against this language. And, if we, through failure to say specifically that this does not permit them to do it, then all the more imperative it is to strike this for it represents an open invitation for them to do exactly what a lot of us do not want to see done.

Mr. WHITTEN. Mr. Chairman, if the gentleman will yield, may I say to the gentleman, as he well knows, that he is privileged to do that which he feels called upon to do, and this includes my friend, the gentleman from Illinois [Mr. FINDLEY].

oHowever, may I point out that under existing law, section 32 provides for various things. The reason that this was in the report last year was an effort in trying to get some control—we provided this year that they report what they had to us where we could limit what was used and what it was used for.

Section 32 itself provides for the funds and for what they will be used. The other provision has to do with wheat and corn and all the other commodities, but the Commodity Credit Corporation has unlimited authority now to sell those commodities in world markets at whatever loss they care to take.

The bill which the gentleman from Illinois [Mr. FINDLEY] is talking about would authorize this. They are already authorized under the law to sell in the world market and take just as big a loss as they want to, but we will be taking up the restoration of the capital impairment the following year. The bill which the gentleman talks about would provide for a domestic subsidy of \$42.50 a bale on cotton, and I have reference to the use of import duties. Here they are limited. That is what it amounts to other than increasing consumption by 1 million bales, without that \$42.50 per bale, or without exporting it at a loss. That is the best investment you could make, and I can prove it. However, that does not prevent the gentleman from moving to strike out that language. But if the gentleman strikes it out, he is then leaving it where the Commodity Credit Corporation has the authority and direction under the law to sell it

in world trade for what it will bring, and it will cost about four or five times as much.

Mr. MICHEL. But they do not have the power under the law now to pay a subsidy in order to make it competitive?

Mr. WHITTEN. No.

Mr. MICHEL. Under this they could get subsidized?

Mr. WHITTEN. May I say this, and I do not mean to exclude cotton, it is just one of the basic commodities for which the Commodity Credit Corporation has large amounts. I would not say that section 32 does not permit it now. It is rather broad in the authority that exists now as to how they could go about making use of these funds through increased use. They could make payments to farmers to maintain income. If a point of order is made to this, I will argue the point on several grounds, but that would strike the thing that is most beneficial in this provision.

Mr. MICHEL. If no point of order is raised and it is left as is, conceivably we could have a ridiculous situation. We have shown in the utilization laboratory at Peoria that you cannot convert corn into alcohol and use it as a gasoline or something else for less than 45 cents a gallon. Under this language, the department, could be using some of this money to prove a point which has been proven to be impractical.

Mr. WHITTEN. May I say to the gentleman, if he has the time, this is the law now.

They can use all of that. If you strike the whole thing out, they still have the section 32 funds. The section is an important one.

Mr. HORAN. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, first I want to commend the chairman of this Subcommittee on Appropriations for Agriculture, the gentleman from Mississippi [Mr. WHITTEN], and give equal praise to the gentleman from Washington [Mr. HORAN], the minority member of the committee, as well as all of the members of this committee.

This bill is one of the most difficult appropriation bills to handle because it involves so many facets of things that must be dealt with by this committee in the farflung fields involving feed, food, and price, as the members of the committee have already explained.

You have heard other members explain that only about one-half of \$6 billion herein recommended will accrue directly to the benefit of our farmers and why it all in fact accrues to the benefit of all the people.

I am sure if every Member will read the report on the bill which the committee has submitted, they will agree that this committee has done a good job in bringing this bill to the floor. There are a few items in this bill which I feel could be less, but as a whole it is as good a bill as any group of Members could devise under present circumstances.

However, I do feel that the requests in this bill for the Soil Conservation Service have been pruned a little too much since this bill provides that the SCS

shall absorb 40 percent of the pay raise which Congress passed last year.

They have, however, increased in fiscal year 1964 the funds for small watersheds and for new soil conservation districts which come into being constantly every year. We now have 2,950 soil conservation districts in the United States of America. Each one of those districts generally comprises a county, and more districts are coming in annually. So, it is only right and proper that more funds should be and must be appropriated to man the new offices. The Soil Conservation Service always does a good job with the money appropriated. Some Members may be surprised to know that many of our larger cities have for years called on SCS to show them how to conserve their liquid gold called water, one of our great national problems.

I must say that had every other nation in this world put into effect a program of soil and moisture conservation as we did 37 years ago in the United States, the World Food Conference, which is being held in Washington at this time with delegates here from 100 nations would not be held. As I have looked around the so-called underdeveloped countries of this world I quickly discover, as everyone has discovered, that every country that forgot years and years ago that their soil would wear away, wash away, and erode away to the end, that most of their land is now unproductive. There, hunger-strife prevails. I only hope that the great powerful land barons in those countries, who own most of the land, will awaken to the fact that they must conserve and build up their soil in such a manner that their land will be more productive and thus hunger will disappear in a very few years. If they will do that even the cold war will just that soon be ended.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

(Mr. JENSEN was yielded 2 additional minutes by the gentleman from Mississippi, Mr. WHITTEN.)

Mr. JENSEN. Mr. Chairman, in closing I must give credit to the American farmer who, during the war, was urged to produce, produce, and produce and whose sons, millions of them, went to war. They produced a greater supply of food, feed, and fiber during the war than was ever produced before in the history of this country. Many older farmers, their younger sons, daughters, and wives worked in the field around the clock to feed and clothe all America and about half of the other people of the world, our allies, for which all should be forever grateful. And since then the farmer still produces such quantities of food, feed, and fiber that we have built up this price-depressing surplus of farm commodities, which has for the last decade produced an 80-cent farm dollar.

Mr. Chairman, along with 19 other Members of the House from agricultural districts, I recently introduced a wheat and feed-grain bill.

I explained the provisions of my bill—see page 9521 in the RECORD of June 4—and, by the way, my good colleague, the gentleman from Iowa [Mr. BROMWELL], an Iowa farmowner, joined me in intro-

ducing an identical bill. It is more liberal than the other bills introduced at that time. It will in effect pay the farmer, in kind, quite liberally. For each acre of corn that the farmers take out of production, they will be paid on an average in kind of around \$78 per acre, and for wheat about \$65 per acre.

(Mr. JENSEN asked and was given permission to revise and extend his remarks.)

Mr. WHITTEN. Mr. Chairman, I yield to the gentleman from Kentucky [Mr. NATCHER] such time as he desires.

Mr. NATCHER. Mr. Chairman, I want to join with my chairman in his comments concerning a new member on this committee, the gentleman from New York [Mr. ADDABBO]. The gentleman from New York [Mr. ADDABBO] is one of the great Members of the House and is rendering real service on our committee. He is certainly not only serving his constituents well, but he is serving his whole State and this entire section of the United States in a very capable manner.

This bill contains a recommendation of the sum off \$5,979,457,000 for fiscal year 1964. This bill provides the necessary funds for the operation of the Agriculture Department's activities.

Agriculture has advanced more in the past 50 years in this country than in all the prior years of our history. Government and industry have furnished the research that is constantly improving our plants and animals, providing better management of soil and water, discovering new uses for farm products, and devising new and better methods of transporting, storing, marketing, and merchandising farm products. For 6.8 million workers on 3.6 million farms, agriculture is a job and a way of life.

Today 1 farmworker in the United States supplies food and fiber for 27 people; 8 were supplied by 1 worker in 1920.

Population is increasing and per capita food output is still inadequate in many countries. For 3 billion people in the world, American agriculture is an excellent example of abundant production and one proof of our successful democratic system.

One hour of farm labor in this country produces more than four times as much food and other crops as it did in 1920. Today, crop production is 70 percent higher per acre, and output per breeding animal is 90 percent greater. Our total agricultural assets amount to \$214 billion, which is equal to nearly two-thirds of the market value of all corporation stocks on the New York Stock Exchange.

The average farm has grown from 134 acres in 1880 to 325 acres in 1963. We are farming 360 million acres. As farm mechanization grows, farmers are able to handle more land. Each day our farmer is becoming more specialized. Most of our farms are still family units, and a larger proportion of farmers own their farms in whole or in part today than ever before. In our 50 States there are some 2.3 billion acres of land; 80 percent of this land is agricultural—including forests.

Since 1949, retail prices of farm foods have gone up 13 percent and nonfood

living costs have gone up 31 percent. We do have a surplus of certain commodities, and we are strong enough to manage and own our surplus.

We all know that we are in a race with the Soviet Union in outer space, but this does not apply to agriculture. Our country today is the strongest, most productive, and wealthiest nation on earth; and in the field of agriculture we have unquestioned superiority.

A battle is being waged by the Soviet Union against agricultural underproduction and food scarcities. The Soviet Union is growing at a rate of 3½ to 4 million a year and it is becoming more urbanized.

It is true that the Russian has to fight more against the climate than our farmer. To overcome this hardship, chemical fertilizer would go a long way, but they are still far behind us in attempting to increase their yield per acre.

They are unable to produce enough food, regardless of the number of people engaged in the process.

The American farmer is a good customer. He spends \$26 to \$27 billion each year for goods and services to produce crops and livestock. He also spends another \$15 billion for appliances, machinery, furniture, and other products.

The United States is the world's largest exporter of agricultural products; 60 million acres of our 316 million harvested acres produce for export.

At least half of the total amount appropriated in this bill applies directly to benefits for the consumer. As the result of our research and control programs provided for under this bill, the people of this country can buy food with confidence knowing that it is among the safest, cleanest, and most wholesome food in the world.

This bill contains money both for agriculture and services for consumers. It is true that we have produced a surplus of certain commodities. From our abundance we are sharing with our children and our needy. Funds are provided in this bill for our school lunch, milk, food stamp, and direct distribution of food to the needy programs. The school lunch program now reaches over 14 million children in 64,000 schools. In the year 1961, over 7 million needy persons received food through the direct food distribution program of the Department of Agriculture. Over 200,000 people are receiving supplementary food purchasing power through the pilot food stamp program.

In considering the amount carried in this bill, we must keep in mind the benefits to be received, not only by the farmer but by all of the people in this country.

Our committee recommends this bill to the Members of the House.

(Mr. NATCHER asked and was given permission to revise and extend his remarks.)

Mr. WHITTEN. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. ADDABBO], a member of the subcommittee.

(Mr. ADDABBO asked and was given permission to revise and extend his remarks.)

Mr. ADDABBO. Mr. Chairman, I first take this opportunity to thank the chairman of the full Committee on Appropriations, the gentleman from Missouri [Mr. CANNON], for having assigned me to the Subcommittee on Agriculture and Related Agencies. Second, I wish to congratulate my chairman of this subcommittee, the gentleman from Mississippi [Mr. WHITTEN], for his wonderful presentation on this legislation here today and to say it has been a privilege to serve with him and the other able Members, on both sides, on this subcommittee.

Under the chairmanship of the gentleman from Mississippi, a subject and Department which would normally hold only limited interest for a Representative from a city district has been clearly explained and I have been brought to a fuller understanding, under his experienced guidance through many weeks of extensive hearings.

I know every Member of this House, after reading through the comprehensive report on this appropriation bill, will better understand the importance and the far-reaching necessity and work of the Department of Agriculture and how this appropriation not only directly affects the farmer but also, just as directly and perhaps more so, the consumer.

True, the consumer pays most of the bill, but this entire program costs each person about \$10 per year for which the consumer receives the safest and most wholesome food available anywhere. For this food he pays only about 20 percent of his income, whereas in most other parts of the world most people must spend half or more of their available income on food.

How does the consumer also benefit under this appropriation? Through research we receive better quality and more wholesome foods. Through research, plant and livestock diseases are eradicated, saving the consumer the additional cost that would of necessity have to be added on because of crop or livestock losses resulting from diseased products. Through research, additional local and foreign markets can be found for our products and our surpluses can be better utilized.

Through soil and water conservation, watershed and flood control programs, our future generations will be assured of good lands and water supply.

This appropriation further directly aids the consumer in providing special milk and school lunch programs for our children. It provides for the food stamp program, utilizing our surplus foods for our needy.

Yes, this bill also carries the cost of the Commodity Credit Corporation which deals with our farm surpluses, but this appropriation is for programs passed by the previous Congress and is needed to fulfill previous commitments, and those opposing subsidies must look to oppose future legislation, not this appropriation—for the Government and the Congress must fulfill its previous obligations.

This bill also provides for rural area development, farm housing, and housing for the elderly—programs just as neces-

sary for the farm areas as for the city areas. These programs further aid the city dweller, for if opportunity for decent living is not afforded to the rural area dweller, he then moves to the city and adds to the problems of unemployment, welfare, et cetera.

Mr. Chairman, I believe, since the defeat of the last wheat referendum, we are fast approaching a serious crisis. We have, on the one hand, the farmers who desire support prices without strict controls, and, on the other hand, consumers who feel there should be no price support programs at all.

I believe the farmers must realize that we live in a dependent society—their existence depends on the consumer and the consumer must realize that his food supply and cost and the actual security of this Nation depends on the farmer.

The facts have proven that, at present, less than 15 percent of our total population produces the necessary food and fiber to supply the balance of our population. Each year this farm population decreases. To remain a strong nation we must be able to produce our own needs. Therefore, we cannot afford to destroy our farming society and must take steps to give it an adequate living standard.

Labor is protected by a minimum wage law—so farmers' income must be, I believe, also so protected. However, the farmer must remember labor receives pay for what it produces and if there is an over amount of production there is unemployment. So, the farmer, I believe, is entitled to a fair and reasonable income and should be protected, but if he wishes this protection, he should only produce what is required for consumption and for storage, only that which is necessary in the event of an emergency.

The alternative of continued overproduction and no price supports would be the destruction of our small farmers and then price fixing by large cooperatives or the complete destruction of our farming society, resulting in our becoming an importing Nation instead of an exporting and self-producing Nation. Also greater unemployment in the cities would result, for the farmer would seek employment there.

The movement from the farm to the cities has continually increased and the farm population, just in the last year, has again gone down several percent.

It is for these reasons, Mr. Chairman, that I am supporting this appropriation now and again repeat that this bill does not carry any price support funds for future programs, but covers only those which have been previously voted by the Congress and obligated and agreed to by the Government and the farmers.

Mr. HORAN. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. HOEVEN].

(Mr. HOEVEN asked and was given permission to revise and extend his remarks.)

Mr. HOEVEN. Mr. Chairman, I want to take this opportunity to commend the committee on the adoption of the language on pages 28 and 29 of the committee report dealing with loyalty pledges by county ASC committees and the high

pressure tactics by the Department of Agriculture in the recent wheat referendum.

The language to which I refer reads as follows:

It has come to the attention of the committee that county and community committeemen are being required to sign statements that they will support the programs and policies they will administer. In the opinion of a majority of the members of the committee this requirement is unwarranted and is not authorized. It has subjected the activities of the Department to severe partisan criticism. The Secretary should discontinue this requirement.

The use of any funds provided in this appropriation bill in an effort to influence the vote of any participant in any referendum on any proposed farm program or pending agricultural legislation is not within the provisions of this act and in the opinion of the committee would be completely unauthorized.

This language very concisely reflects my views on this subject and it is, I feel, indicative of the position of most of my colleagues on the Committee on Agriculture who introduced legislation to prohibit loyalty pledges by farmer-elected committeemen from taking force and effect. In fact, 34 members of the committee including myself introduced such legislation. These resolutions have been referred to a subcommittee of the Committee on Agriculture and we are urging that prompt hearings be held. We all know that the ASC committeemen are elected by their own neighbors and are not employed by anyone in the U.S. Department of Agriculture. There is ample existing authority to remove them for cause and, moreover, the farmers themselves could oust any county committeeman who is not doing a satisfactory job simply by not reelecting him. It was never intended by the Congress that the Secretary of Agriculture should seek to intimidate or coerce farmer-elected committeemen to support any specific farm program. On the contrary, the Congress intended that ASC county committeemen should be non-partisan and independent. Secretary Freeman by his administrative order could now compel these farmer-elected committeemen to become an integral part of the administration's propaganda team by requiring them to support programs which they and their farm neighbors who elected them might flatly oppose.

So I think it is high time for Secretary Freeman in the light of the committee pronouncement which I again commend, to rescind the insidious regulation he issued on March 1, 1963, and I call on him to do so to conform to the overwhelming expression of congressional opinion shown by the action of at least 35 House Members in introducing rescinding resolutions and the expression of the 50-man membership of the Committee on Appropriations.

There still remains, however, a gray area in law relating to the use of Government funds to influence farmers in national referendums.

In that regard I want to direct the attention of the committee to a recent statement by the majority leader in the other body as reported in a press re-

lease under a Lewistown, Mont., heading on June 2, 1963, in which he says, among other things, as follows:

It appeared there had been some violations of Federal law by Agricultural Department personnel in an attempt to influence the wheat vote of May 21. Some members of his Department apparently have been guilty of certain violations, and if there can be definite proof they should be prosecuted.

The Secretary of Agriculture, regardless of who he may be, should serve only as a referee in the referendums set up by the Department of Agriculture. It was never contemplated that he should use the vast facilities of his Department and the taxpayers' money in trying to influence the results of the referendum votes one way or another.

The CHAIRMAN. The time of the gentleman from Iowa has again expired.

Mr. HORAN. Mr. Chairman, I yield to the gentleman 2 additional minutes.

Mr. HOEVEN. Now, having said that, I would like to ask the chairman of the subcommittee, the distinguished gentleman from Mississippi, in view of the pronouncement and statement made in the committee report on pages 28 and 29 thereof, how does the gentleman propose to implement such a statement?

Mr. WHITTEN. If the gentleman will yield, may I say that this situation came up last year, at which time we quoted the code section which has to do with trying to influence Congress. I know of no criminal statute as such against the use of personnel to influence an election or referendum. However, it was the feeling of the committee that any such action is not authorized in law, nor in our appropriation act. Further, the Secretary's order that appeared, I believe, about the 7th of March, requiring the signing of a pledge, we personally could find no authorization for any such requirement and so advised the Department.

I say that we advised the Secretary of Agriculture that we planned to put in our report language along the line which we have placed in it. We did not submit the language, but we certainly submitted the thought to the Secretary of Agriculture, and I have every reason to believe that the Department will cooperate with us in carrying out the intent expressed by the subcommittee on behalf of the Appropriations Committee and the Congress.

Mr. HOEVEN. I will say to the gentleman that I had in mind to introduce an amendment on page 19, line 5 of the bill which would provide that no part of the appropriation provided for administrative expense should be used to pay the salaries or other expenses of any persons who attempted to influence the vote of any participant in any referendum or any proposed farm program or agricultural legislation. In lieu of offering such amendments, will the gentleman assure me or can the gentleman give me any hope that the Secretary will discontinue the requirement for a loyalty oath?

Mr. WHITTEN. If the gentleman will yield further, so far as my vouching for the Department or the Secretary of Ag-

riculture personally, I cannot. I will say to the gentleman that I have every reason to believe that the Secretary and the Department will go along and cooperate with the expressed intention of Congress as has been expressed by subcommittee in its report.

The CHAIRMAN. The time of the gentleman from Iowa has again expired.

Mr. HORAN. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. HOEVEN. Does the gentleman from Mississippi anticipate that some positive action will be taken within the near future?

Mr. WHITTEN. I do.

Mr. HOEVEN. I thank the gentleman for his assurance.

Mr. NELSEN. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Minnesota.

Mr. NELSEN. Mr. Chairman, I wish to associate myself with the remarks of the gentleman from Iowa [Mr. HOEVEN], and call to the gentleman's attention an article which appeared in the Minneapolis paper entitled "USDA Accused of Pressuring Broadcasters." A memorandum was sent out, signed by Ray Fitzgerald, deputy administrator of State and county operations of ASC, relative to use of free time on the radio and television stations.

This article is well documented with instances, which article I think should be included in the RECORD. If the gentleman would agree, I would like to include this statement with the testimony and the statements which have been made on the floor of the House today.

USDA ACCUSED OF PRESSURING BROADCASTERS

(By Charles W. Bailey)

WASHINGTON, D.C.—The Agriculture Department ordered its field employees to "act aggressively" in seeking free radio and television time during the recent wheat referendum campaign.

Instructions from Washington to State farm program offices put heavy stress on the "special obligation" of broadcasters to provide "public service" time.

In a number of cases, stations did provide free air time for government officials—from Agriculture Secretary Orville Freeman down to State and county farm program employees—to discuss the referendum.

In some instances the stations took the initiative in setting up the programs. But in others government officials sought air time and in some cases attempted to control program format, according to station personnel.

A spot check of radio and television stations serving rural areas, made by the Minneapolis Tribune Washington Bureau, turned up situations like the following:

The Minnesota Agricultural Stabilization and Conservation (ASC) Committee, which supervises Federal farm programs in the State, appeared on an "Open Mike" program on WCCO radio in Minneapolis.

The station originally proposed a program with only one official appearing, but the committee insisted on having all four members take part.

Jim Bormann, news director of WCCO radio, said the station made the initial suggestion to the Minnesota ASC committee after deciding not to use a Farm Bureau-prepared tape which he characterized as "pretty one sided."

Bormann said, "We offered time to Ewing (C. Urban Ewing, State ASC executive direc-

tor), and he accepted in writing. Then we got a call from the chairman of the State committee, who said the committee had met and decided that all four members should be on the program. We agreed, and they all took part."

(Members of the Minnesota ASC committee are Milton F. Maxwell, chairman, and Bernard M. Wichterman and Russell A. Johnson.)

After the program, which was aired the week before the vote, Bormann said station officials decided to present their own program on the eve of the referendum.

This was done, he said, with the WCCO farm director "laying out in more or less alphabetical fashion the arguments both for and against the program."

The Tribune's spot check also revealed that:

The Indiana ASC Committee asked for and obtained "prime time" from five television stations to discuss the referendum. Three programs ran for an hour; two were half-hour presentations.

In Louisville, Ky., station WHAS had "several inquiries for program time" from the State ASC committee. Officials of the radio station said they turned some down but did present "some ASC people" in discussions of the referendum.

Another Kentucky radio station, WHOP in Hopkinsville, used some taped material from the Department, including a special statement by Freeman. The station's farm director said he also used another special department tape carrying proreferendum statements from persons identified as farmers in the major wheat-producing States.

The Agriculture Department's information service produced several of these "special" programs on tape or film, with Freeman, ASC Administrator Horace Godfrey and Associate Administrator Edwin Janke appearing on them. One tape went to about 500 stations, Department officials say, while one film was sent to some 300 TV stations.

The Indiana State ASC committee prepared and circulated to county offices prepackaged radio scripts which county officials could take to local stations and read over the air. Some of these were carried, according to local reports.

Underlying the field activities was a memorandum issued April 12 over the signature of Ray Fitzgerald, deputy administrator for State and county operations of the Agricultural Stabilization and Conservation Service in Washington.

The memo went to State ASC executive directors and State committeemen. Its purpose, Fitzgerald wrote, "is to encourage you to make full use of radio and television public service time in getting to farmers the facts."

Noting that radio and TV have special advantages because of their timeliness and broad availability to rural people, Fitzgerald added:

"An additional advantage is that broadcasting stations have a special obligation to the public which does not exist in the case of publications."

The memo went on to define this obligation as "the presentation of public service information—especially in the field of agriculture." "This is spelled out in Federal licensing laws," Fitzgerald said, and "these stations must renew their operating licenses every 3 years, and they want to make a good record in public service programming because this is a factor in renewal."

Stations promise to provide such programming, he said, "in return for two special favors granted by the Government": (1) exclusive use of a broadcast frequency and (2) "the policy of the Government not to establish federally operated stations in competition with stations being operated commercially."

The memo said that "this does not, of course, make the stations subject to dictation." "Nevertheless," Fitzgerald said, "a station does have the general obligation to provide its listeners with information on public programs of importance to them. This has been particularly emphasized in the case of farm listeners."

He added: "The program was developed, and the referendum provided, by an act of Congress. This is the same Congress under whose laws commercial radio and TV stations are permitted to operate."

I express the hope that the committee statement will be followed up by positive action on the part of the Department of Agriculture. If it is not done, I for one intend to press for legislation that will implement the committee's position in this matter.

Mr. DOLE. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Kansas.

Mr. DOLE. I wonder if information is available on the total number of dollars spent in connection with that referendum?

Mr. HOEVEN. May I say to the gentleman that for the past several weeks I have tried desperately hard to get that information from both the Comptroller General and the Secretary of Agriculture, but have been unable to do so. I got the same old run-around I expected in the first place.

Mr. WHITTEN. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Chairman, this bill carries loan authority for \$425 million for the REA. Remember this is loan authority only and not an appropriation. It is in fact simply a limit on the amount which the Treasury may loan to the REA. The money comes back into the Treasury, and I think the repayment record is truly remarkable. During the past fiscal year more money was repaid than was due—\$16 million more. These were advance payments. Only two borrowers from REA were delinquent this fiscal year and more than a billion dollars have been repaid. Some of our friends of the minority have indicated that they were unhappy that congress seems determined to keep the rural electric program functioning.

I would also point out that these REA loans are available to any power company which wants to accept the obligations which the co-ops do accept to serve undeveloped rural areas. Contrary to the general held notion the REA offers loans to private power companies on exactly the same terms it offers to cooperatives.

Another important item to remember is that the private power companies have an average density of about 32 connections per mile of line. The REA financed cooperatives and private companies have an average of just less than three connections per mile. This is why the private industry by and large did not want to serve the rural areas. This is why those who do serve these thin areas must be able to either finance their plant at low rates—as the REA borrowers do—or must be able to impose an extra charge on their city customers—as most of the private utilities do. Let no Rep-

resentative from an urban area assume that were you to deny these low interest rate loans to REA borrowers and turn all rural areas over to privately owned utility companies that your constituents would receive a savings. True, there would be a slight savings in taxes but there would inevitably be a corresponding increase in the rates your people would be forced to pay as consumers of electric power.

The magic number in rural electrification for fiscal 1964 is 97.6. It means that 97.6 percent of all farms in the United States now have lights, and the people who sidestepped the job 27 years ago are jubilant.

"The job is finished," they cry. "Let there be singing and dancing in the streets. Now the Congress, the REA, and the rural electric cooperatives can get out of our business, and let them be quick about it. Now the Congress can quit providing REA loan funds. The great day has come; behold it is here."

Mr. Chairman, I am no less pleased than the power companies with the magic number. It is a magnificent tribute to the job that has been done and is being done by REA and its local borrowers and by their privately owned competitors, all with the help of a wise Congress. But I do not believe the job is finished. The time for singing and dancing in the streets is not yet. And I have no intention of voting for a zero ceiling on REA loan funds in fiscal 1964, or in the foreseeable future, and, of course, the Committee makes no such recommendation.

Back in 1936, the year the REA got started, power companies had between \$10 and \$15 billion invested in their plants. Did anyone hear them say their job was done, even though nearly everybody in urban areas had lights? And Mr. Neff, the then spokesman for the power companies, said that "there are very few farms requiring electricity for major farm operations that are not now served." Maybe they said this to justify their refusal to serve rural areas. Anyway they all agreed that they could not make a profit if they took their lines and poles way out into the country. Unfortunately, that is still true unless one has very cheap power to offer to three customers per mile. But the power companies did not feel then and they do not feel now that their job is done.

Now let me tell you what has happened to the power companies in the past 27 years. Their total operating revenues have more than tripled; their total investment in plant has more than tripled, and their earnings on common stock have more than tripled.

In 1960, the earnings on common stock of commercial power companies amounted to \$14.1 billion. If you do not think that is a right handsome figure, then consider this: In 1943, just 17 years earlier, the total investment of commercial power companies in their plants was just \$14.8 billion. A single year's earnings on common stock just 17 years later almost exactly equalled the total plant investment of 1943. That, my friends, is growth business.

The electric power business is a growth industry. The power companies still are

issuing stocks and bonds to finance bigger generating plants and heavier transmission lines. Their job was not finished in 1936 when the urban areas already had lights. If it was finished, what are the power companies doing with all of this money they keep raising with new issues today?

This growth is a fact for the rural electric cooperatives, too. Their loads, even in the thin areas willed to them by the power companies, are doubling every 7 to 10 years. They must have heavier lines, larger and more costly transformers and substations. They must have more power—lots more power—and the ironic fact is that the cooperatives must buy nearly two-fifths of their wholesale power from their biggest, nearest, and in some cases, most competitive neighbors: the commercial power companies.

Now I ask you, if the power companies are not willing to provide an adequate supply of wholesale power at reasonable prices to these cooperatives, what course is open to the cooperatives? They can apply to the REA Administrator for a generation and transmission loan, and some of them have taken this course.

But I submit it is obvious that not every REA-financed distribution cooperative is going to build its own plant; it just will not be feasible. The threat of G. & T. loans is most valuable as a lever upon the bargaining process between cooperatives and power companies. The authority to make such loans is already in the basic REA Act, and it should remain there. The Congress properly looks to the discretion of the REA Administrator in his use of this bargaining tool.

While I have no intention of raising jurisdictional questions, or of criticizing the Appropriations Committee which, in my opinion, has done a very creditable job, I cannot overlook the fact that on pages 7 and 8 of the report the committee has, I fear, attempted to perform what seems to me to be the functions of the legislative committee—the Committee on Agriculture. Here the Appropriations Committee has sought to write into law their ideas as to proper limitations on the power of the administration. I would respectfully suggest that such limitations can only be placed in the law through the regular legislative process—and, of course, if these views are to have the force of law, they must be put in this bill and if put in this bill, they would be subject to a point of order. The very fact that they were not inserted in a manner where they could be so reached seems to me to indicate that their authors recognized that they were not binding on anyone.

I do not want to be understood as saying that I object to the Administrator giving good reasons for the approval of any loan—distribution or generation. I think that he should lend money only when the need is established, but it should be remembered that he acts as a banker, and I definitely do not agree that the REA Administrator, or any other banker, should give a borrower's financial statement to that borrower's competitor, nor give that supplier of whole-

sale electricity more than one chance to make an acceptable offer.

No, Mr. Chairman, the job is not finished; not for the power companies, not for the REA, not for the rural electric cooperatives, not for the Congress, but the appropriation bill is not the proper place to amend the basic law and the growth of our rural areas must be encouraged, not placed at the mercy of unsympathetic power companies. We must have adequate financing; we must have an adequate supply of wholesale power; we must continue efficient, reliable electric service throughout our country, and we must not pervert the relation of banker and borrower so as to give the would-be seller of wholesale power an opportunity to know all of the details of his weaker competitor's business. If we are serious about our professed desire to maintain free enterprise, let us start by preserving the basic tenet of free enterprise—the right of even the smallest business to deal at arm's length with its powerful competitors.

(Mr. COOLEY (at the request of Mr. POAGE) was given permission to extend his remarks at this point in the RECORD).

Mr. COOLEY. Mr. Chairman, I must express to the House my keen disappointment that the bill before us, making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, provides no funds whatever for the establishment of a laboratory for research into the quality factors of Flue-cured tobacco.

Members of Congress from the States producing Flue-cured tobacco—this is cigarette tobacco—and spokesmen for the producers themselves—appeared before the Agriculture Subcommittee of the Committee on Appropriations, and we pleaded the urgency of such a research undertaking.

Producers and the tobacco industry generally respectfully and earnestly petitioned for help in constructing and equipping such a crucial facility, to be located in the heart of the Flue-cured tobacco producing area, at North Carolina State College.

Mr. Chairman, it is our considered judgment that the very existence of Flue-cured tobacco as a major crop, involving the livelihoods of many thousands of families on farms and in factories, depends upon quality research and the application of the findings of such research to the production of this American leaf.

We emphasized to the Appropriations Subcommittee that this research operation is essential to first, assure quality for consumers and to maintain consumer confidence; and second, protect and expand America's dominance in world tobacco markets.

Mr. Chairman, we are well aware of great difficulty and the tremendous responsibility of our good friends on the Agriculture Subcommittee of the Appropriations Committee. I personally commend the chairman, the gentleman from Mississippi [Mr. WHITTEN], and each member of this subcommittee, for the quality of the job they are performing.

The bill before us does provide some additional funds for general tobacco research, but this does not begin to reach the great problem of quality that confronts the Flue-cured tobacco industry.

The production of Flue-cured tobacco provides all or part of the livelihood of approximately 500,000 farm families in Florida, Georgia, South Carolina, North Carolina, and Virginia. Many thousands of other families derive the major portion of their income from the manufacture and sale of Flue-cured tobacco products.

Quality has become a matter of great concern, due to a number of factors, in recent years and months. The Flue-cured tobacco industry is convinced that immediate and major steps must be taken to protect and improve the quality of our tobacco. All elements of the industry, with representatives from all the major Flue-cured producing States met in Raleigh, N.C., on January 28 and resolved to seek the aid of Congress in establishing a laboratory that would provide the essential research and leadership to protect and improve the preferred characteristics of our crop.

Committees were formulated at the Raleigh meeting to draft plans for this laboratory, and these committees, acting upon behalf of the Flue-cured tobacco industry, presenting their recommendations to the Agriculture Subcommittee on Appropriations.

Mr. Chairman, the Federal Government has a direct interest and obligation in the development of adequate research facilities for tobacco. The Federal Government and the States collect billions of dollars in taxes on tobacco. Moreover, tobacco is one of our greatest export crops, and therefore is important in maintaining our balance of payments with other nations.

Only \$1,500,000 of Federal funds now are expended annually on tobacco research in all phases, whereas the Federal Government last year collected \$2 billion in taxes on tobacco and tobacco products. The States and local governments collected another \$1.1 billion, for a total tobacco tax take of \$3.1 billion by Federal and State Governments. In this connection it is interesting to note that Federal taxes on tobacco and tobacco products, since 1932, have more than paid all the costs of farm price supports and income stabilization efforts on all crops. Federal and State Governments each year collect more than twice as much in taxes on tobacco and tobacco products than farmers receive for producing the crop.

It would seem to me that the Federal Government would not hesitate for a moment to let our tobacco industry have a return from these taxes of whatever amount is necessary to undertake the essential research in maintaining the quality of Flue-cured tobacco.

Since the first shipment of tobacco from Jamestown 350 years ago, the United States has played a major role in the world tobacco export industry, and today—as for many years past—we are the most important supplier of tobacco in the markets of the world.

The annual value of the American tobacco crop is approximately \$1,400 million. In the last marketing year, exports of Flue-cured tobacco amounted to \$336 million. Almost 60 percent of these shipments originated in North Carolina. The largest shipments are to European markets.

Now our export business suddenly is threatened by the tariffs being created by the European Common Market, and by increased tobacco production in other areas of the world.

Our greatest weapon to combat this danger is quality. The reputation of our Flue-cured tobacco has enabled us to dominate world markets in the past. We must maintain and improve our tobacco if we are to continue as the dominant world exporter. Quality has been the basis upon which we have achieved our position in world trade and quality is our best hope to perpetuate this position.

I recognize that research is only a part of the quality job that must be done.

Research will be worth very little, if anything, unless such work is coordinated with tobacco program developments and improvements. That is why the laboratory should be located in the very heart of the Flue-cured tobacco producing area. So located, the work of the facility would harmonize with the work of the people directing our tobacco program and with the culture practices of our farmers who produce tobacco.

Mr. Chairman, I take considerable pride in the fact that the work of the House Agriculture Committee's Tobacco Subcommittee, headed by the gentleman from Virginia [Mr. ABBITT] has played so large a part in building public interest in the needs for adequate and effective research on tobacco quality. The first major development in such research was the resolution of the Tobacco Subcommittee May 4, 1960, which called upon the Department of Agriculture to—and I quote:

Immediately undertake a concentrated and comprehensive research program for the purpose of ascertaining definitely and conclusively the effects which the utilization of the chemical MH-30 [maleic hydrazide] in sucker growth control may have upon the tobacco leaf produced for cigarette manufacture.

This research has expanded into a general, though limited, study of the factors affecting quality of Flue-cured tobacco.

It is imperative now that we proceed with the establishment of the laboratory, so that all possible research and study may be brought to bear, not only in the interest of the producers of Flue-cured tobacco but as well for the well-being of users of tobacco, the general economy and for the strength of our Nation in world commerce.

Mr. Chairman, I want to say to the House that it is my hope that our friends on the Appropriations Committee, later in this session of the Congress, will reconsider all these factors—so urgent in their impact upon so many people—and will provide the funds to get underway

the construction of this laboratory for research into the quality factors of Flue-cured tobacco.

Mr. HORAN. Mr. Chairman, I yield 9 minutes to the gentleman from Indiana [Mr. HARVEY].

(Mr. HARVEY of Indiana asked and was given permission to revise and extend his remarks.)

Mr. HARVEY of Indiana. Mr. Chairman, I would wish to compliment this subcommittee on a very thorough and exhaustive effort but I was distressed to find, upon examining the 1964 agriculture appropriations measure, that the Secretary failed to include requests for funds to meet the pay increases that were authorized by the Congress last year for some 14,000 employees of the Cooperative Extension Service.

In this instance, the administration's sudden shift to economy is, in my opinion, nothing more than a lack of sufficient recognition of the devoted men and women that make up this organization, and I am glad to have this opportunity to express my concern in their behalf.

Since 1914, the Cooperative Extension Service has rendered a most worthwhile and valuable service. Through the coordinated efforts of the U.S. Agriculture Department and the State land-grant colleges in their respective States, the extension agent has played an important role in our Nation's progress—both on and off the farm.

Recent figures show that more than 12½ million American families, without schools or classrooms per se, are being provided with a wonderful opportunity to keep abreast of the latest information on farming and home economics techniques, through the services of this organization.

Mr. Chairman, it is no accident that the families in rural America, as well as urban America, are better fed, better educated, and better clothed than any other nation in the world. The contributions of the extension agent, the home demonstration specialist, and the 4-H supervisor cannot be minimized.

Since the enactment of the Smith-Lever Act, in 1914, the Cooperative Extension Service has been financed jointly by the Federal, State, and county governments. While the figures vary with some States, at present the Federal Government assumes about 40 percent of the cost, with the States and counties sharing the remainder of the costs.

The average annual salary of the extension agent nationwide, is \$6,800. This ridiculously low figure is \$230 less than a beginning GS-9 employee. Contrary to what some may believe, these men and women are not run-of-the-mill employees. They are college graduates with many years of training and experience, certainly worthy of the salary increases this body voted them last year.

I sincerely believe that the Congress as a partner in this service has a responsibility to finance its fair share of such salary increases and that the States and counties will then carry their share of the burden. The Appropriations Committee is to be commended,

generally, for its excellent work on this bill. I am sure that the committee members recognize the importance of this particular need and that this deficiency will be corrected.

Mr. REIFEL. Mr. Chairman, will the gentleman yield?

Mr. HARVEY of Indiana. I will be glad to yield to the gentleman.

Mr. REIFEL. I want to commend the gentleman for bringing to the attention of the House a very important omission, that is, the members of the Extension Service in their cooperative arrangement with the Federal Government are certainly entitled to some consideration in the regard that he pointed out.

I want to thank the gentleman for bringing it to the attention of the House.

Mr. HARVEY of Indiana. I thank the gentleman. I do want to reiterate my great faith and belief in the service of this organization and feel this oversight should be corrected.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. BURKHALTER. Mr. Chairman, you and I have a responsibility here today to see that our generation and the future generations continue to have the abundance that we enjoy today. To insure this we need to protect and use our soil, water, and forest resources wisely. That is what conservation means to me and should mean to all of us here today.

The agricultural conservation program is a partnership between Uncle Sam and the farmer to promote conservation practices that provide for wise use of our basic resources.

In 1961, 1,268,000 farmers applied approved practices on farms with 182 million acres of cropland, as well as on 185 million acres of noncrop pasture and range. For these conservation practices the Government paid \$239 million; about one-half the cost. The farmer paid the balance. The agricultural conservation program is really getting conservation practices on the land and has been doing this since 1936. For years I have watched the excellent results and that is why I am heartily supporting the appropriation for the program today.

I am proud of the agricultural conservation program record made by the good farmers in my own State of California. For years we have been one of the leading States in participation in this vital land conserving program.

The agricultural conservation program insures future supply of food and fiber—that is what it means to you, to me, and to the future. I urge a "yes" vote on the bill as recommended by both the Agriculture and Appropriations Committees in its present form, without crippling amendments.

Mr. ALGER. Mr. Chairman, agriculture appropriations is Government in business with a vengeance—subsidies, controls, electrification, and telephone in competition with private industry, giving away of food at home and abroad, building up of dietary and food control of schoolchildren—paying farmers and landowners for doing nothing. These and many others show the encroaching role of Government in our lives. A

farmer cannot grow what he wants; the Federal Government controls and subsidizes.

Also, we are spending 6 billion of money we do not have, charging it to the future. Worse yet, we camouflage our lack of self-discipline in spending by bragging about the reduction of \$389 million from the budgeted amount, yet we end up spending almost \$6 billion. Not only is it wrong to spend money we do not have, because we are deficit financing, but this amount of money is entirely too much—by billions.

In brief, these programs, this legislation, this spending is unconstitutional. Therefore, I oppose it.

Mr. ULLMAN. Mr. Chairman, there are no better friends of American agriculture than the House Agriculture Appropriations Subcommittee led by our distinguished colleague, Congressman JAMIE WHITTEN. I want to thank Congressman WHITTEN and the members of the subcommittee for the courtesy and consideration they showed me when I testified before them on the agriculture appropriations bill.

As I said at that time a Soil Conservation Service research laboratory at Pendleton, Oreg., would be of the greatest importance to the economy of the entire Pacific Northwest. The Pendleton lab is now fourth on the Agriculture Department's priority list for research lab construction funds. Secretary Freeman has written me that as soon as funds are approved "the Department of Agriculture will move forward as rapidly as possible in expediting this essential soil and water management program." We cannot afford to wait for the basic research facilities needed to develop the wisest methods of utilizing our country's natural resources. I hope the subcommittee will look with favor on the approval of funds for the Pendleton lab at the earliest possible time.

Mr. LANGEN. Permit me to compliment the Appropriations Subcommittee on Agriculture for the very excellent job they have done in their considerations for the needs and the money requirements in behalf of agriculture throughout the Nation. The committee report, in my humble opinion, is exceptionally well done, and offers explanations and concerns relative to the respective activities in the field of agriculture that are both pertinent and appropriate.

I am particularly enthused about, and want to call to the attention of the entire House, the language on page 25, and particularly the last two paragraphs dealing with the removal of surplus agricultural commodities—section 32. As this House already knows, I have on many previous occasions called attention to the fact that section 22 of the Agricultural Act of 1949, as amended, has not been sufficiently used. There have been any number of instances that have come to my attention, and I know to the attention of everyone who is interested in surplus problems and maintaining an adequate market for agricultural commodities, in which imports have seriously affected both items. I hope that the reference that the committee has made

here in the report, and the provision further provided for the use of \$25 million by the Commodity Credit Corporation may be put to good use.

It is discouraging to farm operators throughout the Nation to be continuously blamed for surplus supplies and over-producing, when in so many instances their markets have actually been reduced for them by virtue of almost unbelievable amounts of imported commodities.

It has always been my contention that section 22 was originally enacted by Congress to prevent, and provide the method whereby attention could be directed and proper steps taken to assure farm producers that they would not be subjected to, these conditions. I presently have legislation pending before the Agriculture Committee dealing with this subject, and have further included a similar provision in a recently introduced bill dealing with the situation that now confronts the wheat farmers by virtue of the outcome of the wheat referendum. It is surely my hope that the future may hold a better response, both on the part of Congress and the Department, relative to this problem.

I note with equal interest on page 28 of the report the last 2 paragraphs relating to the recently publicized fact that community committeemen have been required to sign statements that they will support the programs and policies that they administer. The observation of the committee that this requirement is unwarranted and has not been authorized, is surely, in my judgment, most appropriate. Having had occasion to serve as a community and county committeeman in the administration of the program, I can fully appreciate the significance of such a requirement. Possibly one of the strongest factors in support of the committeeman system is that it provides the opportunity for the local people to have the problems of their respective areas brought into consideration in the administration of and the carrying out of all agricultural programs under their jurisdiction.

Many times this may require that a local committeeman may offer recommendations and suggestions to the State committee as well as the Department of Agriculture which might be contrary to existing programs because they are not applicable to existing conditions on a local basis. To do so, of course, would be somewhat in violation of the statements that they have been required to sign.

It is further to be noted that these men have been elected by the farmers in the local communities and therefore, in response to their selection by the local people, they ought to carry the responsibility of representing the needs and concerns of the communities they serve, and so again, it seems appropriate that I commend the committee for the attention they have given to this matter. Their recommendation could well serve to strengthen the committee system, and freedom of participation by farm people.

Let me further make reference to the attention directed to the cereal leaf beetle on page, 15 of the report. The

danger to the production of small grains throughout the entire production area grows more serious by the day. In the best interest of all producers of small grains I hope that adequate funds may be provided for a research program that may completely eradicate the very disturbing threat of the cereal leaf beetle.

Mrs. SULLIVAN. Mr. Chairman, I have noted the comments in the committee report on the Agriculture Department appropriation bill about meat inspection and the possible value of transferring this program from the Agricultural Research Service to the Agricultural Marketing Service, in which poultry inspection is also placed. I hope that nothing is done to carry out this suggestion without full consideration being given to it from the standpoint of consumer interest. Meat inspection is not primarily a marketing device, such as poultry inspection was originally intended to be. Both services, it seems to me, are now primarily health programs, to protect the consumer, rather than marketing promotion projects.

The President has called for an expansion of meat inspection into intrastate commerce under legislation which would give the Federal Government the necessary authority. The reason the suggestion was made was for consumer protection—not for improvement of the marketing of meat. So, if poultry inspection and meat inspection are to be placed together, I would think that they belong in a branch of the Department which is concerned primarily with consumer research and consumer nutrition and similar activities now carried on as part of the Agricultural Research Service. I would prefer to see all of these functions go into a separate Agriculture Department division set up with definite consumer orientation and given responsibility to coordinate the various activities of the Department of most concern to consumers.

Mr. WHITTEN. Mr. Chairman, we have no further requests for time.

The CHAIRMAN. There being no further requests for time, the Clerk will read.

The Clerk read as follows:

COOPERATIVE STATE EXPERIMENT STATION
SERVICE

Payments and expenses

For payments to agricultural experiment stations, for grants for cooperative forestry research, and for other expenses, including \$38,113,000 to carry into effect the provisions of the Hatch Act, approved March 2, 1887, as amended by the Act approved August 11, 1955 (7 U.S.C. 361a-361i), including administration by the United States Department of Agriculture; \$500,000 for payments authorized under section 204(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623); \$1,000,000 for grants for cooperative forestry research under the Act approved October 10, 1962 (76 Stat. 806-807); \$310,000 for penalty mail costs of agricultural experiment stations under section 6 of the Hatch Act of 1887, as amended; and \$460,000 for necessary expenses of the Cooperative State Experiment Station Service, including administration of payments to State agricultural experiment stations, funds for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$25,000 for employment under section

15 of the Act of August 2, 1946 (5 U.S.C. 55a); in all, \$40,383,000.

Mr. McINTIRE. Mr. Chairman, I move to strike out the last word.

(Mr. McINTIRE asked and was given permission to revise and extend his remarks.)

Mr. McINTIRE. Mr. Chairman, I have taken this opportunity by this procedure to express a few comments in connection with this bill because I did not have an opportunity in the general debate as time was already committed. I do wish to express to the chairman and the members of the committee my appreciation of the constructive work done in bringing the bill to the floor. Under provisions relating to the Cooperative State Experiment Station Service, the inclusion of the initial appropriation under Public Law 87-788, which is the forestry research legislation enacted at the last session of Congress. While many of us thought that perhaps this could be implemented by an appropriation in excess of the \$1 million, we nevertheless feel that the \$1 million which was recommended by the Bureau of the Budget is an initial appropriation, and this will serve as a vehicle by which this very important portion of the research program in forestry can be initiated. We are embarking on one of the most important forestry research programs that has been enacted by the Congress.

I would also like to ask a question or two of the chairman in connection with the Soil Conservation Service. Might I refer the chairman to page 20 of the report. On page 20, down toward the later part of the portions in relation to flood prevention I note with interest that there is an authorization, or at least a recommendation on the part of the committee that the Department could employ temporary personnel "to the fullest extent necessary" to speed up planning and installation work in these projects.

My question is not to object to this provision but whether or not this same consideration is applicable to other authorizations of the Soil Conservation Service as Public Law 566 or whether the interpretation the committee puts on this is that temporary personnel is restricted solely to the projects under flood prevention.

Mr. WHITTEN. No; it has reference to the overall operations of the service. We did not repeat it for each item, but the purpose is to cover all programs. Funds are frequently allocated to a particular area for particular projects. Locally they may be delayed by reason of faulty descriptions or lack of rights-of-way or other matters required locally. That concerns funds that are supplied, but which cannot be used. We have learned that planning which is so very important to so many of our colleagues, frequently is retarded by the lack of funds to properly push forward. This just gives them a little latitude to work in the same area, so that a project may be carried forward.

Mr. McINTIRE. This suggestion would apply equally well to the programs under 566.

Mr. WHITTEN. It is so intended.

Mr. McINTIRE. I thank the gentleman very kindly. I also wish to point out, and I assume I am correct in this assumption, that under the language of this report and the bill, funds appropriated for projects under Public Law 566 may be transferred to planning if it is considered wise by the Administrator.

Mr. WHITTEN. Insofar as restrictions are concerned, that is true. We do not expect the projects to be retarded in order to do that. But in the cases that I have described such action may be taken.

Mr. McINTIRE. May I also ask the Chairman if I am correct, that while the Bureau of the Budget recommended 36 projects under Public Law 566, you are saying that this bill carries no numerical limitation and that projects can be started to the extent of funds that are available.

Mr. WHITTEN. We think that is sound.

Mr. McINTIRE. May I congratulate the committee on its bill. I think this does help the Soil Conservation Service materially in the handling of these various programs.

Mr. Chairman, I have personally observed the good works of the Soil Conservation Service for many years as a farmer and for the past 12 years as a Member of the House and of its Committee on Agriculture.

I feel that this is one of the truly worthwhile programs in agriculture. It is deserving of our full support. The benefits of soil and water conservation extend into the towns and cities. Conservation treatment on land reduces erosion and crop damages, prevents floods and subsequent damages to roads, bridges, public and private properties.

Soil and water conservation is carried out primarily through soil conservation districts governed by locally elected supervisors who serve without pay. The Soil Conservation Service furnishes the districts with skilled technical assistance necessary in carrying out their programs of land management.

It would be a disservice to the Nation if this assistance were allowed to lag.

We owe a lot to agriculture. It has been our springboard to greatness. Where other countries have lagged economically, ours has forged ahead. It is true agriculture has its problems here, but our problems—if we must call them that—would be openly acknowledged as blessings in Russia and Red China. As much as we criticize our agriculture, I do not believe we would be too anxious to trade positions with any nation on earth.

We owe much of our present status as a world leader to our rich agricultural resources. We must not forget this. Other nations have been similarly endowed. But many of them have fallen as a result of misusing and eventually destroying their land and water resources.

The soil conservation district movement in the United States is just 25 years old. In that quarter century more has been accomplished in conserving and properly using our natural resources than in any similar period before. It is in the interest of all of us that we encourage

this—that we help the farmers and ranchers who own and operate three-fourths of the land in this country in protecting and developing that land for the generations to come after us.

Mr. Chairman, I strongly urge support of the appropriations report. I am concerned that in this bill there is no increase in the appropriation for the Cooperative Extension Service to sufficiently provide county agents and other extension workers comparable treatment to that given classified civil service workers under the Pay Act of 1962.

I know from personal experience of the work of the Cooperative Extension Service. It serves as the educational arm of the USDA and the State land-grant colleges. Its agents extend the results of research from the laboratory and the experimental field to the grassroots. The people themselves, as well as the Federal and State governments have entrusted them with a task they are fulfilling in a most able fashion.

Cooperative extension agents have helped teach our Nation's farmers to become the world's most efficient producers of food and fiber. They have helped our Nation's families eat better—at a lower real cost—than any country in the world. More and more they are applying their know-how to help citizens' groups, working on broad economic and social problems of their communities in an effort to improve the economy of the area and to help people make the needed adjustments to meet today's demands.

I am sure all of you are aware of the many accomplishments of those in the Cooperative Extension Service. Their work is important and difficult. Their hours of service are long. Most of them have never known a 40-hour week. We have all benefited—directly or indirectly—from the efforts of the Cooperative Extension Service.

But, if we recognize the significant contributions of the Cooperative Extension Service, we should also recognize the obligations of the Federal Government to furnish its proper share of financial support.

Both the administration and the Congress have recently recognized and acted to correct the gap between Federal classified employees' salaries and salaries paid by private industry.

I am therefore concerned that USDA's budget requests did not adequately provide for a similar increase in the Federal portion of Cooperative Extension Service employees' salaries.

If this condition goes uncorrected, I wonder how many able and experienced Cooperative Extension Service employees will look for—and find—more remunerative positions.

I do not plead special treatment for these cooperative employees' salaries. I do strongly believe that there is a sound basis for equity. The fact that extension agents are not included in the Federal classified service does not reduce the obligation of the Federal Government to carry its share of the load in this cooperative program with the States. We must see that the Federal share available for salary increase for cooperative extension workers is adequate to permit

salary increases commensurate with salary increases we have already provided Federal classified employees. I sincerely hope and trust that before this appropriation bill is finally enacted, this imbalance is corrected.

Mr. HAGAN of Georgia. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, on May 29 the Subcommittee on Poultry of the Committee on Agriculture held hearings at which it heard testimony from Secretary of Agriculture Orville L. Freeman. Among other things the Secretary explained to the subcommittee in detail the elements of the Common Market's levy against U.S. poultry and poultry products—how, as a result of the new Common Market regulation, the aggregate import charges against U.S. poultry moving into West Germany had been almost trebled—from a reasonable 4½-cents per pound to a virtually prohibitive 13 cents per pound.

The subcommittee is pleased to note the announcement of Governor Herter indicating that the United States will enter into bilateral negotiations with the European Economic Community in response to the shocking additional action which the Council of Ministers recently took in connection with U.S. poultry and poultry products, which had the effect of increasing the already unreasonable levy against U.S. poultry to a staggering 14¼ cents per pound.

In the course of the recent hearings Secretary Freeman told also of the efforts the U.S. Government has been making toward maintaining reasonable access for our poultry for the past 2 years. The President of the United States, the Secretary of State, Governor Herter, and the Secretary of Agriculture have all been involved in these efforts. The determined personal efforts made by these high officials have been accompanied by supporting efforts of their staffs at all other appropriate levels of their respective organizations.

Appropriate representations have been made on a continuing basis to the Common Market officials by the U.S. Ambassador to the European Communities, Mr. Tuthill, and his staff. Also, each American Embassy in the Common Market countries has told the story of American poultry time and again to these governments.

Based upon the information available to the subcommittee, it believes the case of U.S. poultry has been effectively and lucidly made, not once but many times to all pertinent Common Market organizational elements. There is no ignorance in Europe of our solidly grounded position. U.S. poultry and poultry products are sold competitively in world trade. They are not subsidized. The market established in Western Europe is a commercial market, which in the past 7 years has grown from virtually nothing to \$50 million per year, and has the potential to move much higher if only access to this market can be maintained. And while this increase in U.S. exports has taken place, local production of poultry in Western Europe has also increased dramatically, as has the trade of our

competitors. I emphasize that U.S. poultry has not displaced the poultry of others. Rather it has encouraged and shared with others a larger market for all. Poultry has become the symbol of a good product, efficiently produced, meeting the expanding demands of Europe's millions.

The stakes involved, however, are much higher than the value of poultry alone. While the subcommittee limits its interests to poultry, it is fully aware that the example set by the EEC for this commodity runs sharply toward raising the question of the future of the Community itself. When the European Common Market was first proposed and as it began to take shape, we were assured and reassured that here would be a growing, outward-looking, exemplary new affiliation of nations, dedicated to carrying Europe even further down the road toward prosperity and at the same time strengthening its trade ties with the rest of the free world. We believed what we were told. We have looked for and we have expected great things from this new economic union.

If the Common Market's attitude toward trade in such vitally important consumer products as poultry is representative of its future trade attitudes, however, I can only say of the EEC that we are keenly disappointed. We have suffered a letdown. We are left wondering as to the true meaning of the Common Market's expressed ideals which so many of us have supported.

In plain English this means we should erect as formidable trade barriers against exports of products from the Common Market to us as they have to our poultry. After all, they have led the way in this exercise and apparently the only thing they understand is firmness. We should take prompt action, if positive results are not achieved, to raise barriers on those items like hams and wine and cheese and motor vehicles, and so forth, which they send to us, and which are important to their farmers. We have been patient long enough. If persuasion does not work, it is time to use a club.

Mr. HORAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, may I say to the gentleman from Georgia [Mr. HAGAN] that I believe we think about the same on this matter. I am very much for foreign trade but I think when it comes down to the matter of sharing our great American market with any other countries we should have the exercise of quotas on imports that will be competitive, such as poultry and other items from these countries.

Mr. HAGAN of Georgia. My point is simply this, I think we should note that in our negotiations we should feed them out of the same spoon that is feeding us.

Mr. HORAN. I agree with the gentleman. You may recall that the gentleman from Mississippi in general debate raised the point that we had section 22 of the Agricultural Adjustment Act but that we were making mighty sparse use of it. It has been my feeling that if we are to share this great American market, our producers ought to know the amount of that sharing in the whole field of for-

eign trade. I think we are just like a ship without a rudder now so far as trade expansion is concerned. Our producers are at a loss.

Mr. HAGAN of Georgia. I do not know whether I can altogether agree with the gentleman on that. I think our negotiators up to now have certainly done all they reasonably could and I feel it is just plain obstinacy on the part of those administering the European community. We just ought to get tough and that is my feeling about it.

Mr. McINTIRE. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman.

Mr. McINTIRE. I just wanted to have the opportunity to join with the gentleman from Georgia and the gentleman from Washington in this comment in connection with the action of the European Common Market on American poultry and, particularly, with reference to the comment the gentleman from Georgia made in connection with the market that had been developed in the European Common Market area. This development came on the basis of the initiative of the American poultry industry financed in part by some of the counterpart funds developed in our Public Law 480 agreements with some of these countries. But this is a situation where the European Common Market has closed the door to protect markets that the American poultry industry developed in the first place.

Mr. HAGAN of Georgia. The gentleman is very correct.

Mr. McINTIRE. It is a case of their closing the doors on the markets which were developed on the initiative of industry here in this country. I share the gentleman's views that it is high time that those who have the authority meet this challenge and do so very aggressively.

Mr. HAGAN of Georgia. I thank the gentleman very much for his comments.

Mr. HORAN. Mr. Chairman, I want to thank the gentleman from Georgia for raising this question. I support the principle that we ought to have quotas of what we import into this country and that our American producers should know exactly how much of this great market they have to share. I have joined with my colleagues on both sides of the aisle in requesting quotas for imports of softwood lumber from other countries into the American market. I have joined with colleagues on both sides of the aisle in asking that a formula be set up on the importation of zinc and lead and on articles manufactured from zinc and lead. I think our American producers are entitled to know just what they are up against and that the people, as you say, who have the responsibility—or at least we think they have the responsibility—should be doing something in this field.

Mr. HAGAN of Georgia. I thank the gentleman. I quite agree that we need a reappraisal of our dealings with these other countries on such matters. I think we certainly need to speak with much greater firmness and in language that they can understand that we are just not going to give everything without receiving something in return.

Mr. HORAN. I could not agree more with what the gentleman from Georgia has just said.

Mr. HAGAN of Georgia. I thank my colleague.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

EXPENSES, AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

For necessary administrative expenses of the Agricultural Stabilization and Conservation Service, including expenses to formulate and carry out programs authorized by title III of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1301-1393); Sugar Act of 1948, as amended (7 U.S.C. 1101-1161); sections 7 to 15, 16(a), 16(d), 16(e), 16(f), and 17 of the Soil Conservation and Domestic Allotment Act, as amended (16 U.S.C. 590g-590(o), 590p(a), and 590q; 76 Stat. 606-607) as added by section 132 of the Act of August 8, 1961; subtitles B and C of the Soil Bank Act (7 U.S.C. 1831-1837, 1802-1814, and 1816); and laws pertaining to the Commodity Credit Corporation, \$105,737,000: *Provided*, That, in addition, not to exceed \$94,885,000 may be transferred to and merged with this appropriation from the Commodity Credit Corporation fund (including not to exceed \$40,051,000 under the limitation on Commodity Credit Corporation administrative expenses): *Provided further*, That other funds made available to Agricultural Stabilization and Conservation Service for authorized activities may be advanced to and merged with this appropriation.

Mr. McINTIRE. Mr. Chairman, I move to strike out the last word.

(Mr. McINTIRE asked and was given permission to revise and extend his remarks.)

Mr. McINTIRE. Mr. Chairman, I take this time to ask the chairman of the subcommittee, the gentleman from Mississippi [Mr. WHITTEN], a question. The chairman will recall, I am sure, that in the Agricultural Act of 1962 there was a provision for the use of \$10 million—an authorization for the use of \$10 million—in a so-called cropland adjustment program, which was to be designated in certain pilot counties in the country.

This was funded, in part, in a supplemental appropriation bill, but it was funded only in part.

Can the chairman advise me as to whether or not this bill carries adequate or full funding, to the extent of the authorization, in order that the contracts entered into on the part of the Department of Agriculture, contracts which had been entered into principally in the early part of 1963, will be funded either under the supplemental appropriation act, which is already passed, or covered in this appropriation bill?

Mr. WHITTEN. If the gentleman will yield, may I ask the gentleman whether he is talking about a land-use adjustment program which is mentioned on page 30 of the committee report?

Mr. McINTIRE. Yes. This is why I raised the question, because I am assuming that that may be correct, but I wanted to be doubly sure.

Mr. WHITTEN. If the gentleman will yield further, the point I was trying to make is that the supplemental appropriation bill provided \$2 million for that amount of \$10 million to meet the costs program. We have gone along with the

for the coming year. This represents a \$9 million reduction in the budget estimate. It has been our experience on the subcommittee that with regard to these new programs, some of which are frequently provided for with the support of the individual members of our committee, and sometimes they are not, we have tried to accept our responsibility whether we support them or not.

In this particular instance we can see many benefits. If you have a long-range contract where you can see that things are carried through so much similar to the Great Plains program, it has certain benefits. At the same time, however, we have felt that it was never sound to start a new program full blast, but that we should go along in the same manner, so to speak.

Where we had only \$2 million, it was the thought of the committee that \$10 million out of \$19 million would be ample to meet this problem in the coming year.

Mr. McINTIRE. The contract proposal presented by the Department to those who were interested in this program was for the contract to be paid in one initial payment and the option rested with the interested farmer making the application as to whether this was a 5- or 10-year contract.

Because of the fact that this was set up as an initial complete and full payment type of program my question is raised because if this is the method of funding, then the full amount is needed at this particular time. The words the gentleman uses would be correct, if you ascertain in advance that you have the money for the contracts the Department entered into. It leaves it in the realm of conjecture as to how many contracts were entered into, and we feel with all of the various types of programs in this Department we have provided funds at a rate that will enable them to get this program started.

Mr. McINTIRE. The gentleman's reservation is on the total number of contracts rather than the full funding of each contract.

Mr. WHITTEN. We have not expressed ourselves in any way on putting limitations on the carrying out of the provisions of the law, since we have limited ourselves and it leaves all the provisions in effect. The answer to the gentleman's question would be "Yes."

Mr. McINTIRE. I thank the gentleman.

Mr. FINDLEY. Mr. Chairman, I make the point of order against the language on page 17, line 5, beginning with the word "and" and all that follows through the period on line 11, on the ground it is legislation on a general appropriation bill.

The CHAIRMAN. The Chair may say to the gentleman from Illinois that his point of order comes too late. The Clerk has reached page 19.

Mr. FINDLEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FINDLEY. Mr. Chairman, would it be in order to make a point of order on the third reading of the bill?

Mr. KEOGH. No, it would not.

The Clerk read as follows:

SUGAR ACT PROGRAM

For necessary expenses to carry into effect the provisions of the Sugar Act of 1948 (7 U.S.C. 1101-1161), \$78,000,000, to remain available until June 30 of the next succeeding fiscal year.

Mr. FINDLEY. Mr. Chairman, I ask unanimous consent to return to page 17 for the purpose of making a point of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. WHITTEN. Mr. Chairman, I object.

The Clerk read as follows:

AGRICULTURAL CONSERVATION PROGRAM

For necessary expenses to carry into effect the program authorized in sections 7 to 15, 16(a), and 17 of the Soil Conservation and Domestic Allotment Act, approved February 29, 1936, as amended (16 U.S.C. 590g-590(o), 590p(a), and 590q), including not to exceed \$6,000 for the preparation and display of exhibits, including such displays at State, interstate, and international fairs within the United States, \$215,000,000, to remain available until December 31 of the next succeeding fiscal year for compliance with the programs of soil-building and soil- and water-conserving practices authorized under this head in the Department of Agriculture and Related Agencies Appropriation Acts, 1962 and 1963, carried out during the period July 1, 1961, to December 31, 1963, inclusive: *Provided*, That none of the funds herein appropriated shall be used to pay the salaries or expenses of any regional information employees or any State information employees, but this shall not preclude the answering of inquiries or supplying of information at the county level to individual farmers: *Provided further*, That no portion of the funds for the 1964 program may be utilized to provide financial or technical assistance for drainage on wetlands now designated as Wetland Types 3 (III), 4 (IV), and 5 (V) in United States Department of the Interior, Fish and Wildlife Service Circular 39, Wetlands of the United States, 1956: *Provided further*, That necessary amounts shall be available for administrative expenses in connection with the formulation and administration of the 1964 program of soil-building and soil- and water-conserving practices, including related wildlife conserving practices, under the Act of February 29, 1936, as amended (amounting to \$250,000,000, including administration, except that no participant shall receive more than \$2,500, except where the participants from two or more farms or ranches join to carry out approved practices designed to conserve or improve the agricultural resources of the community): *Provided further*, That not to exceed 5 per centum of the allocation for the current year's agricultural conservation program for any county may, on the recommendation of such county committee and approval of the State committee, be withheld and allotted to the Soil Conservation Service for services of its technicians in formulating and carrying out the agricultural conservation program in the participating counties, and shall not be utilized by the Soil Conservation Service for any purpose other than technical and other assistance in such counties, and in addition, on the recommendation of such county committee and approval of the State committee, not to exceed 1 per centum may be made available to any other Federal, State, or local public agency for the same purpose and under the same conditions: *Provided further*, That for the current year's program \$2,500,000 shall be available for technical assistance in formulating and carrying out agricultural conservation practices: *Provided further*, That such amounts shall be available for the purchase of seeds,

fertilizers, lime, trees, or any other farming material, or any soil-terracing services, and making grants thereof to agricultural producers to aid them in carrying out farming practices approved by the Secretary under programs provided for herein: *Provided further*, That no part of any funds available to the Department, or any bureau, office, corporation, or other agency constituting a part of such Department, shall be used in the current fiscal year for the payment of salary or travel expenses of any person who has been convicted of violating the Act entitled "An Act to prevent pernicious political activities", approved August 2, 1939, as amended, or who has been found in accordance with the provisions of title 18, United States Code, section 1913, to have violated or attempted to violate such section which prohibits the use of Federal appropriations for the payment of personal services or other expenses designed to influence in any manner a Member of Congress to favor or oppose any legislation or appropriation by Congress except upon request of any Member or through the proper official channels.

Mr. SHORT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, may I direct my remarks to the chairman of the subcommittee? In view of the fact that apparently it will not be possible to raise a point of order against the language at the bottom of page 16 and the top of page 17 of the bill in regard to the use of section 32 funds, may I inquire as to the intent and purpose of the language beginning in line 22, page 16, where it says "except for" and it goes on and outlines five different purposes for which section 32 funds may be used.

Is this in effect an amendment to the basic act of August 24, 1935, usually known as section 32?

Mr. WHITTEN. Yes, so far as meeting the objectives of section 32 which as the gentleman understands, provides that 30 percent of the import duties are set aside by law. It is a continuing appropriation. It is estimated there will be almost \$600 million in the fund. The law says one of the primary purposes of the act is to promote increased uses of those commodities in surplus supply. There are certain limits in that act. One provision was that special attention should be given to perishable commodities which I sponsored some years ago. There is no limit whatsoever in the law on the use of the amount available except that not more than 25 percent of the 30 percent may be used for one commodity and 50 percent or more must be used for perishables.

Last year, in order to give control to Congress, in our conference report we provided on page 8 as follows. I quote:

The conferees are in general agreement with the intent of the Senate report with reference to the use of section 32 funds, whereby the use of such funds will be justified by project and use each year and made subject to annual approval by the Congress.

We do not change the basic purposes. We do here ask a broadening of the means to reach the end. Since section 32 is complete within itself so far as finances are concerned, and since the primary purpose or one of the primary purposes is to promote the increased use of those commodities in surplus supply, the provision that the gentleman refers to is to an extent a limit on how

much funds may be used, but I will say in all candor it broadens the provisions of the act to some degree, not on what section 32 attempts to do but broadens the means as to how. It broadens to a degree how the Department can do what that section provides. It adds additional means.

Mr. SHORT. May I say to my friend from Mississippi, are we in effect here, with this language in the bill and perhaps other language that we have already passed, using section 32 funds to finance programs like the food-stamp program that may or may not have received proper financial authority from the Congress?

Mr. WHITTEN. According to the opinion of the general counsel of the Department, the food-stamp plan is within the authorization of section 32. The language that we have here in this bill for the food-stamp plan is in effect a limitation, because otherwise there would be no limitation on what part of section 32 could be used for that purpose. In effect, the \$25 million and the food-stamp plan dollarwise is a limitation on what otherwise might be done as far as this money is concerned. Candidly, it is my opinion it does not broaden the purposes of section 32 but adds to the authority to reach them. It does give some freedom as to how to carry out the purposes of section 32 as far as promoting those commodities in surplus supply. May I say again, in my opinion, it may be the best money we have ever invested if we can promote use as against sale, with the large discounts you would be forced to take.

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. MICHEL. Mr. Chairman, I move to strike out the last word.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. Always glad to yield to the gentleman from North Dakota.

Mr. SHORT. I just wanted to ask one more question. Would this authority in regard to the use of section 32 funds perhaps provide the means of utilizing all of the available section 32 funds to the extent that they might not be available for the normal uses that we are accustomed to, such as at times when beef is in oversupply or poultry is in oversupply, that they could be used, or is this actually perhaps tightening down this authority a little more specifically?

Mr. WHITTEN. May I say, in my own judgment, that the language proposed here will make more funds available for the purposes that the gentleman describes, because in the absence of a limitation of this sort, larger amounts could be used.

Mr. SHORT. They could be used for one single purpose only?

Mr. WHITTEN. Yes. My recollection is that no more than 25 percent can be used for any one commodity, and there are certain requirements that 50 percent or more must be used primarily for perishable commodities. I repeat again, I started that years ago in this subcommittee, with the support of the

subcommittee, and later on it was written into basic law.

Mr. SHORT. I thank the gentleman.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. Happy to yield to the gentleman from Oklahoma.

Mr. ALBERT. I understand, except for the funds as may be approved by the Congress hereafter, this does permanently change section 32 insofar as these items are concerned.

Mr. WHITTEN. It broadens the way that section 32 funds can reach the objectives set out and for which it is authorized.

Mr. MICHEL. In our several colloquies with one another, Mr. Chairman, you have not yet categorically told me that the Department cannot use this money to subsidize a mill or to get cotton at a competitive price. Can you tell me that this cannot be used for that purpose?

Mr. WHITTEN. No, I cannot tell you.

Mr. MICHEL. Would the gentleman sanction it if the Department used it for that purpose?

Mr. WHITTEN. I would sanction anything that I thought would save money in the long run. It is my belief that section 32, as it now exists, permits the same thing without any limits.

Mr. MICHEL. There is no authorization for the Department to subsidize a mill.

Mr. WHITTEN. I said in my opinion, section 32 as presently written, would authorize that, if in their opinion it would increase domestic consumption of those things in surplus. However, let me repeat again it is not limited to a single commodity. It is those things that are in surplus supply. The gentleman is familiar with how many billions of dollars we have invested in them. This lends itself, in my opinion, to saving many millions of dollars that would otherwise be necessary.

Mr. MICHEL. My understanding is then that the legislative Agriculture Committee has no reason whatever to pass a cotton bill because we are doing here by an appropriation bill, the same thing you propose to do on the legislative side with respect to cotton.

Mr. WHITTEN. The bill before the legislative committee would provide \$42.50 a bale domestic subsidy. For those who feel that is essential, certainly there would be every reason to pass the bill. It could be that many Members believe it is essential. There are many things in the cotton bill I do not particularly subscribe to. However, I expect to vote for it in view of many other factors that are involved.

I would like to repeat again, this is not a one-shot provision here. I hope and trust, and I say so here, that the Department will use it wisely in connection with these commodities where they have millions of dollars involved if thereby they could save some money.

Mr. MOORHEAD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MOORHEAD: On page 20, line 25, strike out "\$250,000,000" and insert in lieu thereof "\$150,000,000".

(Mr. MOORHEAD asked and was given permission to revise and extend his remarks and to proceed for 5 additional minutes.)

Mr. MOORHEAD. Mr. Chairman, this amendment deserves the support of the Committee because a vote for it means two things:

First, it is a vote for economy in that it will save the taxpayers of this country at least \$100 million—and I know that my colleagues on both sides of the aisle believe in reducing Government expenditures wherever possible consistent with the national interest.

And, second, it is a pro-administration amendment. It is clearly a pro-Kennedy administration vote because this amendment, if adopted, would reduce the amount of the appropriation to the exact amount requested by the Kennedy administration. I submit, however, that it is also a pro-Eisenhower administration amendment because it reduces the appropriation almost down to the level of the Eisenhower budget request of January 16, 1961.

As I offer this amendment, Mr. Chairman, I do so with the understanding that I have the highest regard for the distinguished chairman of the subcommittee on agriculture appropriations who has again accomplished the major task, which he does so well of putting together the agriculture appropriation bill. Outside of the defense appropriation bill, it is one of the five largest of the Federal Government and covers a wide range of programs from foreign and domestic food distribution to meat and poultry inspection. I have always supported the gentleman on these bills since I have served in Congress, and I shall certainly continue to do so. Since I have been elected to Congress, I have voted for agriculture appropriations every time they have been presented; I have consistently voted for tobacco support, wheat support, cotton support, the sugar program and feed grains support, rural housing, and the diversion of unneeded cropland to conservation uses.

I admire the chairman and his subcommittee in their ability to cut \$389 million from the proposal by the administration. My amendment is directed to one area where I cannot agree, and where economy should be practiced—this is the \$250 million drawing account—or a variation of back-door financing, if you will, for the agricultural conservation program.

The amount appropriated for this program has been a constant source of disagreement between both the Eisenhower and Kennedy administrations and the Agriculture Appropriations Subcommittee. Consistently, the administration has asked for \$150 million and the committee and Congress, by very close vote, have raised this amount to \$250 million. Eisenhower asked for \$100 million and this was increased to a like amount.

This year the agricultural budget came to the Hill with a request for \$150 million again, and again it was raised to \$250 million, the only item, Mr. Chairman, which received an increase.

Why there would be such an increase is a mystery to me. The only witness outside of the Department who had tes-

tified for such an increase was the limestone industry. Now I do not begrudge their desire to make a little profit but I do not think it should be done at the expense of the Government. The extra limestone would simply go to flatlands where there is no erosion, no need for conservation, and would simply result next year in larger crops per acre in the future for which the American taxpayer would have to pay to store. Thus we are wasting money two ways—a subsidy for soil betterment to produce bigger crops, costing billions of dollars a year to underwrite and store.

This amendment, therefore, calls for proeconomy, pro-Democratic, pro-Republican administration vote. Does it call for an anticonservation vote?

Mr. Chairman, I say emphatically, "No."

Before I came to Congress I was, and I still am, a strong conservationist. Back home, I was a member of the board of the Western Pennsylvania Conservancy and the Recreation Conservation and Park Council. I could not face my friends if I were proposing an anticonservation amendment.

I have supported and will continue to support the permanent—as opposed to the temporary—conservation programs of the ACP. I favor tree planting, terracing, contour plowing, row stripping, wildlife cover planting programs, and the rest.

But I do oppose the increasingly large part of ACP which has little to do with permanently conserving our soil, but is designed primarily at getting more production per acre.

Without considering the budget of the Interior Department, there is a great deal of money appropriated for conservation in this bill.

The total amount for Soil Conservation Service under this bill is over \$200 million; for the Agricultural Stabilization and Conservation Service, \$702 million; and for Agricultural Research, \$181 million, or a total of over \$1,000 million. Even if we look more narrowly at the bill for strictly conservation purposes, we find \$97 million for conservation operations, \$63 million for watershed protection, \$25 million for flood prevention, \$13 million for Great Plains conservation program, over \$1 million for resource conservation and development, \$294 million for conservation reserve program, \$10 million for land-use adjustment program, \$59 million for plant and animal disease and pest control.

This is a conservative grand total under this bill of \$562 million. If we add the \$250 million proposed for ACP, we reach the grand total of \$812 million.

Mr. Chairman, we who are conservationists are also taxpayers, and we do not want to spend that extra \$100 million out of a total of \$1,000 million for programs that masquerade under the banner of conservation but are really production subsidies.

Yes, Mr. Chairman, this particular program is, in large measure, a production subsidy program. All our experience tells us that subsidy programs, once started for good purposes, tend to grow on the ship of state like barnacles.

Every subsidy program should be given a good shaking now and then to separate the good and necessary from the bureaucratic and bad. I do not propose to kill the program; on the contrary, I would preserve the good three-fifths of it and merely reduce it to the size that two administrators—one Republican, the other Democratic—thought was sufficient for them to carry out the objectives laid down by Congress.

Mr. Chairman, my father used to refer to a state of beatitude which he described as "the calm confidence of a Presbyterian holding four aces."

Mr. Chairman, I say to my friends, vote for this amendment and you can return to your districts calmly holding four aces—the aces of conservation for our children, economy for our taxpayers, support for our President, and freedom of enterprise for our farmers and industries.

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD. I yield to the gentleman from Iowa.

Mr. KYL. Is there any guarantee that if this amendment is adopted funds which are appropriated will not be used for the purposes about which the gentleman has been speaking?

Mr. MOORHEAD. I cannot make the gentleman a guarantee, but I have been advised by the Department of Agriculture that they will not be so used.

Mr. KYL. This liming of land would be eliminated first? That is the Department of Agriculture program, as I understand it?

Mr. MOORHEAD. That is the program, as I understand it.

Mr. NATCHER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, in order to continue to have a prosperous agriculture in this country we must conserve our soil and water. The program that does more along this line than any other program provided for in this bill is the ACP program. I dislike finding myself in disagreement with my congenial and lovable friend from Pennsylvania, but I say to him quite frankly that on this occasion he is wrong.

If you examine the hearings that appear on the table here you will find that as far as the Department of Agriculture generally is concerned, they are in favor of the ACP program in its entirety. You will find further that the ACP program is the small farmer's program. If there is a program in operation today that takes care of the family farmer it is the ACP program. It is the program where we have cooperation between the small family farmer, the local ACP committee, the extension service, the state office and the Department of Agriculture.

This is not a program where we have an expenditure carried entirely by the Federal Government. Here we have an expenditure that is on a matching basis. Almost every program under ACP is a 50-50 program. There are very few exceptions.

I say to you quite frankly, Mr. Chairman, that this is a program that assists not only our farmer but the city dweller as well. I have served for about 9 years on this committee. We made a practice

each year of restoring the reductions in the ACP program. I say to you, at no time can you consider this a saving insofar as the future of this country is concerned when you consider our expanding population and the responsibility that is placed upon the American farmer today. We are considering a \$250-million authorization under this amendment, not an expenditure of funds but an authorization for the fiscal year 1964. This is a small part of the overall amount contained in this bill of \$5,979,457,000. If there is one line in this bill that serves the family farmer and that protects the future of our country, it is the ACP program. Mr. Chairman, this amendment should be defeated.

Mr. WILSON of Indiana. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. WILSON of Indiana. Mr. Chairman, almost every year when this bill comes before the full committee and before the House we are confronted with those who, I think, are very ill-informed in trying to bring about economy at the expense of those small farmers who utilize this program.

I might say here there is nothing worse in the legislative process than a little information about something. The gentleman from Pennsylvania who offered this amendment certainly has little information because he did not touch on one single element or item which this appropriation is designed to take care of.

In the first place, the use of agricultural limestone in this Government's program has already been cut by 75 percent. The original authorization called for \$500 million. By virtue of inflation the purchasing power has been cut to one-half and due to the fact that this bill calls for only \$250 million, the farmers will only be permitted to purchase one-fourth of the original quantity of limestone which we found need for when we passed the original act in 1936.

What is the purpose of this limestone? Talking about economy in this program is as phony as the \$7 bill. You would be doing much better to go and vote against our good friend, the gentleman from Rhode Island, Mr. FOGARTY's health program or his program for research on heart disease and cancer. There is a lot more to this program than just paying 50 percent of the cost of agricultural limestone for the farmers.

What does this lime do to the soil? There are about three or four points that I would like to make. In the first place nitrogen-fixing bacteria cannot live in sour soil. Limestone sweetens the soil making the climate favorable for nitrogen-fixing bacteria. In, sweetened soil the farmer can plant legumes and that includes almost any kind of clover and also includes soybean and so, as I was saying, in sweet soil nitrogen-fixing bacteria will grow and enabling the plants through the process of photosynthesis to take the nitrogen out of the air and store it in the soil. If you pull one, of those

plants up, you will find big nodules on the roots of it, some almost as large as the end of your finger. They have nitrogen which that plant has taken from the air and stored in the soil.

Where does the economy come in? On poor hillsides all over the country you will find foliage as a result of this program. If you have this lime, you immediately get a crop of legumes. You get a heavy crop. I bought under the soil conservation practice and I have been planting it in trees.

Therefore, the use of this lime prevents the clogging up of our streams and prevents the silting of our reservoirs on which we are spending millions of dollars every year. It is costing us millions of dollars to clean these streams up. It is costing us millions of dollars to build these reservoirs and they are becoming silted. Many of them are becoming silted at a much higher rate than was originally anticipated. But that is not the important point. I want you to get this. In the past 9 years the ground content of strontium 90 has increased by 20 times or 2,000 percent. In the Northeastern States there was little strontium 90 in the ground before we started our nuclear tests. Now in areas where there was as much as 4 units, it shows 80 units now or an increase of 20 times. But if calcium is in the soil the soil will not absorb the strontium 90 so readily. It will absorb the strontium 90 less because of the higher chemical affinity of the calcium.

Now you people who live in the Southeast and in the East, do you want to eat those plants and do you want your children to eat plants that are deficient in calcium; calcium being essential to bones, to the skull, the blood, and essential to all the tissues as well as the red blood corpuscles? Do you want them to eat plants which have absorbed strontium 90 instead of calcium, and which also affects the chromosomes and of course, in turn, affects the genes of the chromosomes that have to do with sterility of individuals?

We do not know what the complete effect of strontium 90 is going to be on posterity. We do know it is not going to be good. We do not know how much more strontium 90 we can stand, but we do know if calcium is not found in the soil, the plants will readily absorb the strontium 90 and our children and ourselves and posterity will be eating those plants deficient in the essential elements of calcium and also with a surplus of strontium 90. Posterity will suffer the consequences therefrom.

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. WILSON of Indiana. I yield to the gentleman from Kentucky.

Mr. SNYDER. I think perhaps the gentleman missed the point. I would like to ask the gentleman with reference to these lands which he has been buying and on which the taxpayers have been putting this lime does the gentleman feel the taxpayers owe the gentleman the responsibility to do that?

Mr. WILSON of Indiana. No, sir, and I will never receive 1 dime from it, but posterity will. We do not own this

land. This land belongs to posterity. We are only living on it. We are only passing through. Each and every one of us knows it is our patriotic duty to conserve this soil for posterity. I never expect to get the first dime from the land which I am replanting in pine trees, walnut trees, and conserving through other conservation practices in order to keep the land from eroding. It will never do me any good. Therefore, the Government is merely making a small investment to help me conserve that land for others.

Do not forget what the Chinaman told his son when he gave him a little plot of ground, about one-quarter of an acre. He said "Hang on to this, son, because God will never make any more."

Mr. Chairman, land is precious. Let us conserve it. Let us leave this soil as plentiful as we can for posterity, this soil which we inherited. Let us take care of it and leave it to posterity, or else we will find ourselves in the same situation that the Chinese now find themselves, with soil washed away and gone forever.

Mr. Chairman, it takes 1 million years to make a ton of soil on an acre of ground. Let us preserve it. Let us save it.

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. WILSON of Indiana. I yield to the gentleman from Kentucky.

Mr. SNYDER. I have difficulty in understanding how posterity is going to own this land.

Mr. WILSON of Indiana. The gentleman does not think I am going to take it with me, does he?

Mr. SNYDER. No, but I would suspect the gentleman from Indiana would leave it to some individual of his family or others.

Mr. WILSON of Indiana. You might take part of your money along with you, or you might give the Government's share to some of our less friendly nations some place, if that is what you wish to do. Then that is all right with me, but I want to take care of my people in the United States.

Mr. SNYDER. If the gentleman will yield further, I suspect that the gentleman is taking care of his people. I suspect this rather than the fact that the land will go to posterity.

Mr. WILSON of Indiana. I think the gentleman is impugning my motives, Mr. Chairman. I do not think he means that. But if he does, I certainly have all the evidence in the world to prove to him that I certainly am not hoarding a cent, and have not hoarded a cent since I have been in this Congress. I doubt very seriously if I will, based upon our present conditions.

Mr. Chairman, I yield back the balance of my time.

Mr. ROSENTHAL. Mr. Chairman, I move to strike out the requisite number of words.

(Mr. ROSENTHAL asked and was given permission to revise and extend his remarks.)

Mr. ROSENTHAL. Mr. Chairman, I rise in support of this amendment.

Mr. Chairman, I would like to bring to the attention of some of my col-

leagues here today a few short words from an article which appeared in this past Sunday's magazine section of the New York Times. This is an article entitled "Now the Nonfarmer Asks for Parity." It was written by Prof. Edward Higbee of the University of Rhode Island, and in part reads as follows:

There is some new thinking on Capitol Hill. The voice of the urban citizen is beginning to be heard. It is he who goes without public services he needs in order to pay for the farm program.

The urban taxpayer naturally gets aroused when he considers his own desperate needs for public services that he cannot have because the money is soaked up by agriculture's \$7-billion sponge. If a few billions were transferred from spending on the farms to the congested metropolitan areas, quite a number of public hardships could be relieved without any increase in taxes.

The magazine, *Wallaces Farmer*, a voice to reckon with in the Corn Belt, sensed the wind of change in January 1962. "We've had farm program fights practically every year," it editorialized. "But they were mostly family spats—differences of opinion among farmers themselves. Now a third party, the city consumer, armed with new voting power, is watching these goings-on in Washington with increasing interest and suspicion. With this new 'partner' abroad, farm legislation must be drawn more carefully. To avoid a violent consumer revolt at the polls, political leaders know that future farm programs must be less costly and more effective."

It seems to me I would be violating my oath of office and my conscience if I were to vote against this amendment and to say that the Bureau of the Budget recommendation of \$150 million should be increased to \$250 million. All of us have been searching for ways to bring about economy. This is one of the best that has been presented to us since I have been a Member of Congress.

Ever since the Dust Bowl days of the thirties public and private agencies have been encouraging farmers to carry out land management practices that protect soil and water resources.

Incentives have ranged from philosophical exhortations to technical and financial assistance.

Farmers have, the record shows, responded quite well to all of them—and no matter where we live in the United States, we are the better for it.

However, there must come a time in any program of this type when results—in themselves—justify at least a measure of incentive for continued efforts.

Perhaps, for example, the increased productivity and value of land resulting from carrying out conservation practices should carry a little more of the incentive cost, and the taxpayers of the United States a little less.

It could be that the conservation momentum in farming areas is so great that a little reduction in its cash subsidies would not be noticed.

This is worth trying.

A \$150 million appropriation for the Agricultural Conservation Program does not spell the end of the program—and certainly does not put the U.S. Government out of the business of subsidizing soil and water conservation or individual farms or in farming communities.

A study of this bill reveals a substantial interest in conservation beyond the agricultural conservation program appropriation.

It provides, for example, for expenditures in excess of \$97 million for Soil Conservation Service technical assistance to farmers and ranchers in carrying out locally adapted soil and water conservation programs. It provides another \$88 million for watershed protection and flood prevention, nearly \$13 million for the Great Plains program and better than \$1 million for resources conservation and development.

The Farmers Home Administration has authority to make soil and water loans running well into the millions.

A part of the educational funds of the Federal Extension Service have traditionally gone into the reasons for and results from soil and conservation practices.

While acreage diversion payments under current feed grains and wheat programs are primarily for the maintenance of farm income, the removal of acres from soil-depleting crops has impact in the soil conservation field.

The administration which asked an appropriation of \$150 million for the agricultural conservation program, and which is responsible for carrying out the program, has made and is making an impressive record in the whole area of protection and rehabilitation of our natural resources.

Accepting its judgment that a satisfactory ACP program can be carried out during the coming year with a hundred million dollars less than this bill provides is not a blow to the conservation movement.

It simply constitutes a reassessment of needs, and is in the public interest. I urge the adoption of the amendment.

Mr. DINGELL. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I came over here to vote in support of this amendment, but I did not realize the gravity of the situation until I heard the remarks of my beloved friend from Indiana, who pointed out that inherent in this amendment is destruction, not just of the American family farm but of untold generations of Americans to come, that we are depriving individuals of calcium to build up their skulls, to build their bones; that we are invariably inflicting chromosomes vast damage on generations unborn and generations to follow those.

I have a high regard for my dear friend from Indiana, for whom I have the greatest affection, but, you know, we on this side of the aisle get so few opportunities to vote for economy that when the opportunity presents itself we must grab it vigorously by the forelock, because, you see, in years past we on this side have manifested more concern and we have spent money on an abundance of projects. We have spent money on school lunch programs, care for the aged, urban renewal, highways, abatement of pollution, housing, schools, health, research into cancer, communicable diseases, maternal and child health benefits,

adequate salaries for our Government employees, hospital construction and upon a thousand and one other projects and programs which we felt were in the public interest, but on which our colleagues on the other side were able to make economy votes.

I say, Mr. Chairman, my good friend has presented to this House a very dangerous picture, and I think anyone who votes for economy under these circumstances should do it with the utmost of care.

I point out to the House today, Mr. Chairman, that my good friend from Indiana in presenting this destruction on untold generations of Americans yet to come overlooks the fact that economy really begins at home. I think here we have a chance to give my beloved friend from Indiana and others who favor economy a chance to strike a real blow for economy in their own backyard. Where the Bureau of the Budget said \$150 million is enough, that \$150 million for liming fields I am sure will buy a lot of limestone.

I recognize a few generations of Americans may lose a couple of milligrams of calcium, and I am sure they have the sympathy of us all.

The gentleman from Indiana has pointed out to the House that this is important and in the interest of fiscal responsibility. However I am sure that my friend concurs with the need to provide Americans of the future with a balanced budget, with all of the things that my good friends on the Republican side of the aisle say are necessary with regard to meeting and reducing the national debt, eliminating useless and senseless programs. We have an interest in exploring this on the other side of the problem. I think a few of us on this side of the aisle can be excused if we vote to spend only \$150 million of the taxpayers' money on liming land rather than the \$250 million.

Mr. BECKER. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from New York.

Mr. BECKER. I understand it has been stated that this would be a pro-Kennedy vote if we vote for this. I hope there are going to be some new medals struck here in the interest of economy.

Mr. DINGELL. The gentleman is always voting with me for economy when he does it wisely. I wish my good friend would vote more wisely for economy and more in the public interest on programs to spend money which will help people.

Mr. RANDALL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from Indiana made a remark a few minutes ago that one should not speak on a subject that he may not be well versed upon. I am not a member of the Committee on Agriculture, but I have carefully observed the good results of the conservation program that has gone on in my own congressional district. Now I have heard this talk about economy here today. There has been a lot of talk about economy so far this session by a lot of Members, but the question arises in my mind

whether to vote for this amendment is really and truly an economy vote. It has been suggested here by the proponent of this amendment that this amendment is an economy amendment. Its proponent says his amendment is not only pro-Kennedy but somehow is also pro-Eisenhower. I just cannot understand. Then just a while ago you heard the gentleman from Indiana in the well here talk about strontium 90 and how lime applications could offset the danger from strontium 90. But I will not go into that further at this time. However, I suspect that as the years go on there will be much less light-hearted sort of talk about strontium and a lot less fun made of it than was done by the last speaker who just preceded me in the well today. Strontium 90 is a deadly serious thing and if applications of lime can offset its damaging and deadly effects then let us apply lime and lots of it.

But, I want to talk about this question of subsidy and whether we are further subsidizing the farmers by a conservation program. I say we are not. But in a minute or two let us see some of the things that are being done in conservation in some of our congressional districts. Many of us ourselves in the position that we represent both part of the people in the large cities and as well have adjoining counties with farm areas also in our districts. I have a district that is about half divided between an agricultural area and an urban or suburban area, and I think I can see both sides of the issue here today. And, I say to you that the great portion of the consumers living in Kansas City, Mo., will be glad to pay this portion of their taxes if it is for conservation purposes because they know something about what conservation means. They know conservation is an investment. But let us see for a moment what we are actually doing in this agricultural conservation program.

Mr. Chairman, by the conservation program we are providing permanent cover for erosion control. We are providing for crop rotation which will lead to erosion control. It is true that the application of liming materials is a substantial part of this program but that is not all of the program by any means. The conservation program includes the improvement of grass land management, it provides for pits, ponds or dams for livestock water and provides for the establishment of sod waterways to dispose of excess runoff. This conservation program means there will be construction of terraces, control of erosion to conserve moisture and it means construction will go forward on terraces or ditches and dikes to control erosion.

The whole watershed program is being affected if this appropriation is cut back to the extent this amendment would provide.

There was a wise gentleman over in Cincinnati a few years ago who was quite a writer, a sage, a philosopher, and he pointed out there was only about 3 or 4 inches of topsoil between the people of these United States and starvation and that if we did not conserve our good soil there would be an inadequate food sup-

ply in future years. Oh, I know you will say we can get more out of each acre now, by advanced and improved farming methods but remember also we are taking good fertile acres away from farm use each day by our vast highway building program, with its thousands of cloverleaves and lots of good land is being increasingly consumed by sprawling suburban subdivisions. You just cannot get farm production out of naked rock or sterile deserts. We must conserve our good topsoil. This should not be looked at as a subsidy; instead this is a conservation program, and I urge those of you who represent cities to vote against this amendment, because if it is approved you are in the years ahead are going to be adversely affected, you and all of your city constituents who are the consumers of agricultural products.

Mr. TAYLOR. Mr. Chairman, will the gentleman yield?

Mr. RANDALL. I yield to the gentleman from North Carolina.

Mr. TAYLOR. I would like to commend the gentleman for making a very good statement. For some 14 years the ACP appropriation has been \$250 million, just as it is in this bill. This amendment would reduce that amount lower than it was up to date and it would ruin what otherwise is a good program. I represent a district of small farmers, and this is more important to my district than any other phase of the agricultural program. And, it represents only 4 percent of the total cost. It is used to fill in gullies, stop erosion, substitute broom-sage with alfalfa, and it is used to assist the farmer in helping himself and to preserve the soil for future generations. Now, our topsoil is one of our greatest assets, and once we lose it it is gone forever.

We have seen China and many other countries suffer starvation because they have permitted their topsoil to be ruined. One of the great purposes we should have in mind is to pass on our heritage to our future generations, and if we vote for this amendment, we are voting to refuse to do that.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. RANDALL. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Will the gentleman agree that to talk about reducing taxes and increasing public works projects in order to spur the economy and at the same time want to reduce this program of small matching fund projects by \$100 million would be the height of inconsistency?

Mr. RANDALL. I agree. Now, Mr. Chairman, may I conclude by saying that those of you who represent big city districts should remember that if you vote for this amendment to reduce conservation funds your vote can come home to haunt you and affect adversely in future years the people in the cities you represent.

Mr. HOSMER. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I just want to remark that about 4 hours ago the Joint Committee on Atomic Energy completed sev-

eral days of hearings on the subject of fallout during which a number of Government witnesses testified. The net effect of the testimony was, in my opinion, that insofar as the effect of fallout from all weapons tests to date is concerned, it roughly amounts to radiation exposure less than the difference between living in a wood frame house and a brick house.

This is less than removing one's residence from sea level to 400 or 500 feet above sea level. So, I ask that in good conscience and in good judgment the Members of the House not be swayed by misinformation relative to the matter of fallout.

Mr. MICHEL. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, with all due respect to my good friend from California who makes an impassioned plea now to remedy fallout and the strontium 90 problem, in part by way of this program may I say frankly, we, as individual farmers, ought to have been doing this all the time for ourselves. This does not mean that you have to have the Government doing it. When I was a kid we took out our own hedgerows behind a team of mules. If there were any stone fences there—and we do not have them out our way although in New England you do—that is your job as an individual farmer, to tear down that thing if you want to be self-reliant. It is not proper to come to the Federal Government for half of the cost of doing this.

That is what you are doing here. There is no rhyme, reason, or sense to pay a farmer for that. I have 80 percent of my farmers getting this money. It is like a raise in congressional salary. Any number of this House, when we get to the point of raising our salary, will vote against it, but these same people will be right there to get it on payday. It is the same thing with the farmers, or with 80 percent of them in my district. "It is there, and I might as well get my share." That does not make it right, however. On these farms where the Government is paying farmers not to grow something on his diverted acres, the Federal Government comes right back and says, on those same acres we will pay 50 percent of the cover for those acres. Then what does the farmer do? Those acres diverted this year go into production next year and a new plot diverted to qualify for these payments.

Most of this stuff is for short-range production stimulants rather than long-range conservation practices. There is just no good rhyme, reason, or sense to it. It is wrong. I support the amendment and hope it will have a good measure of bipartisan support.

Mr. WILSON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I will be glad to yield to my friend from Indiana, who does a real good job defending and arguing his point of view.

Mr. WILSON of Indiana. Just to straighten the record, for the sake of the record, someone might think there was a conflict of interest in my own dealings. I will say for the record, and I will not correct it, that if you will

check you will find EARL WILSON received less than \$250 for a liming program since the program was initiated. That is the total. It is not \$250 per year, but that is the total. It is not a case of conflict of interest, but a case of trying to build up some of this land and pass it on. It is not going to do me any good. I put out 12,000 trees last year. Those trees will be 60 years old before one of those small seedlings will make a tree. I doubt very much if I am here then.

Mr. MICHEL. I am glad to yield to my friend from Indiana for making his position clear in the RECORD and I hope he is here with us when those trees mature. He is indeed a most able, diligent, and hard-working member of our Committee on Appropriations.

Mr. WHITTEN. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 15 minutes, the last 5 minutes to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. OLSON].

Mr. OLSON of Minnesota. Mr. Chairman, I believe there needs to be a little correction of the misinformation that has been given us, or the arguments made which tend to lead us to be misinformed, on this amendment. My good friends from the urban areas have talked about the surplus situation and the spending of money that supposedly would create more surpluses. I want to say to you in all frankness that if we were short of food production in this country your consumers would be after you, but fast, to come down here to the Congress and tell the farmers what they had better do to see that they provided us with enough sustenance.

Also the statement was made that we should know what we are talking about. I am just going to say that I believe that the Members of this House in their wisdom are not going to make a judgment on this issue that will curb the ability of the farmers to utilize the technology which they have used in the past that has provided us with the blessing of abundance we have.

I know that you can go back and remember the figures that have been given so many times about the utilization of technology in agriculture that has provided that abundance. I submit to you that if it is your viewpoint that you can stop the flow of funds into the type of conservation purposes that this full appropriation supports, you might be playing on the side of saying that we can leave to chance the conservation practices that will produce the abundance of foodstuffs for the future.

I do not think we can afford to support this amendment which will slow up the technology of agriculture because I submit to you that if you slow it up, about 5 years will be sufficient to produce a deficit of food production in this country, not the surplus that we have today.

(Mr. OLSON of Minnesota asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Idaho [Mr. WHITE].

(Mr. WHITE asked and was given permission to revise and extend his remarks.)

Mr. WHITE. Mr. Chairman, it has been very popular here today to come up with the idea of economy. I wish some of the Members who are so desirous of economy in this area, would speak as vehemently in other areas as they have in this instance. I happen to represent one of the Nation's biggest congressional districts. Traveling over that district I have to fly a great deal of the time. Flying over that district, I fly over the Palouse area and the Camas Prairie, which is one of the big wheat-producing areas of the country. It is rolling country and it is subject to a great deal of erosion. All you have to do is to look down out of the airplane at gulleys in these cultivated fields that are 6 feet wide and 4 feet deep and that extend from the top of the hills to the bottom. Also when you look at the color of the soil that exists at the top of these hills and at the bottom of these hills it is apparent that much of the good soil has been eroded away.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. WHITE. I yield to the gentleman.

Mr. HORAN. Sometimes it gets so bad that some of the people out there want to make soil conservation practices mandatory. It has not yet come to pass, but that is how they feel about it.

Mr. WHITE. I would say to my friends from the urban areas who say that this is a boondoggling expenditure of the taxpayers' money that ultimately we are going to need every acre of farm production that we now have. I would also say that we can show that the volume of material that goes down the rivers of the United States and is slowly filling up the reservoirs of our dams is one of the major conditions we are going to have to counteract.

In my area this money is spent for tilling and ditching on these same fields for conservation practices that save the sustenance of this Nation.

I should like to point out one other thing while we are considering this matter. The issue seems to be resolving limestone, calcium sulphate, that is added to the soil. I have checked on this in the time I have had, and I find that the actual limestone expenditure from this appropriation is approximately 10 percent of the \$100 million. The remainder of the money is for additional good and adequate soil conservation purposes.

I urge the members of this Committee to vote down this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Chairman, I can appreciate the good intentions of my colleagues. I do not believe in my 22 years here I have really had occasion to question the motives of any of you. I will say for my colleague from Pennsylvania [Mr. MOORHEAD] that he came to me and said he was going to offer this

amendment. He offered it, I am sure, in perfect sincerity. I appreciate my friendship with him.

As chairman of this subcommittee may I say I got off the farm as early as I could. I did farm some 5 or 6 years after I lost my father. Intentionally I never signed up with any of these farm programs because of my position here. However, the loss is not mine, but the land itself.

I know there have been many disappointments among my colleagues about our wheat referendum. We might give a little thought to those that tried to carry it. You cannot kick one crowd around without hurting others.

In this bill before you, which we will approve, for flood prevention and the other parts of the Soil Conservation Service, you have a couple of hundred million dollars. In the public works appropriation bill, and I made the successful motion a few years ago to override the President's veto on the public works bill, you will have other hundreds and hundreds of millions of dollars trying to take care of the resources of this Nation.

With regard to most of these, recognizing the interest we all have in conserving the soil for future generations, the farmer is not called on, or the landowner is not called on, to put up anything of any kind. But the Department is directly tied in this ACP program to the fact that the Federal Government does not say: "This is money you can stick in your pocket." It says: "If you own this land and conform to these practices, for each dollar you put up, and you contribute the labor, we will contribute a third of the cost." For those of you who are interested in the United States, this is one program where the landowner contributes about two-thirds of it, and there are something over 1,300,000 who participate.

I do not know what your experience is in trying to get people to do what they ought to do anywhere. I agree that any landowner ought to take care of the land for his children, and all the rest. But if we have wasted half of our country, it certainly is up to us to devise some means wherein we should encourage people to do what they should do anyway.

In this program, we have talked about this type of practice or that type of practice, but let me explain to you how this works. The farmers put up about two-thirds of the cost. They get together a series of projects which they think will help their community and which will be beneficial to them, knowing it will cost them about two-thirds of the amount spent. That is compiled. Then it is carried to the State offices. From all over the State, the State gets together a group of these practices that have been selected at the local level as being worthwhile to invest their money and our money in.

Then that comes to Washington. Washington determines which ones of these practices or projects are worthwhile. All that information is in a catalog about 2½ inches thick. May I say to you now that any community that chooses a soil project and has elected to spend its own money on a project which

has been selected from a catalog that is that big, they must be all good projects.

I say to you while we might not like some people because they work with this fellow or that fellow and we may not like how some of our colleagues vote or something else, bear this in mind: We all like to know that our monetary system will be protected. But as I mentioned earlier in this debate, as important as balanced budgets may be to keep a balance in our economy and to keep a sense of security—money is still money. The wealth of this Nation, I want to remind you, is in our rivers and in our harbors and in our forests. The wealth of this Nation is in the lands and in the fertility of our soil and in material things.

If we want to do a small part of what has to be done and share in this common work where the landowner puts up twice as much as we do to get the job done, then do not hurt the soil conservation by cutting this program which is a very backbone of our soil conservation effort. How can we have a conservation reserve and all the many things that pay folks not to farm—and I do not think that was sound—how we could have those things and then cut out this program, a program where we get \$3 invested and the Government has to put only one-third of that, I do not know. I hope you will vote this amendment down.

The CHAIRMAN. The time of the gentleman has expired. All time has expired.

The question is on the amendment offered by the gentleman from Pennsylvania [Mr. MOORHEAD].

The question was taken; and on a division (demanded by Mr. MOORHEAD) there were—ayes 87, noes 106.

Mr. MOORHEAD. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. WHITTEN and Mr. MOORHEAD.

The Committee again divided, and the tellers reported that there were—ayes 108, noes 120.

So the amendment was rejected.

Mr. NELSEN. Mr. Chairman, I move to strike out the last word.

(Mr. NELSEN asked and was given permission to revise and extend his remarks.)

Mr. NELSEN. Mr. Chairman, I take this time to bring to the attention of my colleagues a few facts dealing with the administration of the rural electrification program. I believe that they are important enough to be made a matter of record and that Members of the House of Representatives should be advised of the situation as it exists.

As most of you know, I was the Administrator of this program for 3 years under the Eisenhower administration and at that time one of the unpleasant memories was an investigation made of my administration by the Democrat-controlled House, which was costly, time-consuming, disruptive, and unproductive.

In the course of the hearings, charges were made that in my judgment were not based on fact, and among them was the charge that I had violated the law in two instances. First, by appearing at a Republican picnic in Kansas City where

I was introduced and made a brief explanation of the REA program, in no way involving myself in any partisan politics or association with candidates for office. A second charge was the fact that I had had breakfast with some friends in Duluth, Minn., who were identified in the paper as Republican officials. This incident occurred on my way to a power-use meeting at Grand Rapids, Minn.

The charges were "laughed out of court" and dismissed and dropped. But in the hearing it was emphasized that the Administrator of the REA program was forbidden by law to participate in partisan politics. Previous to that, legal counsel in the REA administration had advised me not to be involved in the political arena and I, as well as previous Administrators, religiously adhered to this policy, as had other Administrators before me.

During the last campaign I noted in the press a news item that the REA Administrator would appear in Minnesota, in my district. I found it hard to believe. I wired him for confirmation. He responded to the wire and appeared on television and radio with my opponent. I wish to make it very clear that I am not complaining about it, but I do feel that this change of policy should be made a matter of record so that the general public is aware of the fact that a new code of political conduct has been adopted for the head of REA.

During the time that I served as Administrator, the only persons contacted for any political contributions were myself and my deputy. People in the classified service were not disturbed nor did we expect them to make any contributions to political campaigns. This has also been changed and active, open solicitation of funds did occur last winter.

I felt these things were of great import and related them in a letter to the chairman of the Government Operations Committee, the gentleman from Illinois [Mr. Dawson], since a subcommittee of Government operations had conducted the hearings into my activities when I was Administrator. I include my letter to the chairman in the RECORD at this point in my remarks.

MARCH 6, 1963.

HON. WILLIAM L. DAWSON,
Chairman, Government Operations Committee,
House of Representatives, Washington, D.C.

DEAR MR. DAWSON: I feel that it is my duty to call to your attention, as chairman of the Government Operations Committee, some incidents which occurred in the 1962 election campaign involving the Administrator of the Rural Electrification Administration, as well as some practices that have occurred within the REA since election, which in my judgment are in violation of the law.

First, I would like to refer to the Chudoff hearings of the 84th Congress which were conducted under the jurisdiction of the Government Operations Committee of which you are chairman. You will recall that at that time I was the Administrator of the Rural Electrification Administration and we went through months of investigation in search of something that the Committee obviously never found. Among other things I was reminded by Mr. Chudoff that under the provisions of section 9 of the Rural Electrification Act I would be in violation if I engaged in political activity. On page

1494 of the hearings appears a statement attributed to you: "Under the law he wasn't supposed to engage in politics" (referring to me, the then Administrator).

The hearings revealed the charges to be ridiculous and I will forever be grateful to you for the observation that you made at the hearings, "I think you are (a) good Administrator" (hearing, p. 1488).

The incident that I would like to bring to your attention concerns the conduct of the present REA Administrator, Mr. Clapp. A newspaper article appeared in the Minnesota papers reporting that Mr. Clapp would be campaigning in the Second District—my district—of Minnesota. We sent a wire to Mr. Clapp stating as follows: "Newspapers announce that you are touring Second District next Monday with my opponent. Please verify by telegram to me." Reply was received, "In answer to your inquiry I have been invited to come to Minnesota to assist in the campaign for the Democratic ticket. Will be in the Second District tomorrow."

Mr. Clapp did appear and toured the district with my opponent. His statements were used in newspaper articles in the district and he appeared on a television show with my opponent.

I am not complaining about the fact that he opposed me, but I am complaining about the disservice to the REA program. He has departed from a long tradition in the administration of that program in which REA Administrators have never involved themselves in partisan campaigns at any time. Obviously my vote majority did not suffer because of the Administrator's activity, so there is no personal complaint as far as I am concerned.

I was advised by counsel and by the staff when I came into REA that I should not involve myself in political activity and we religiously adhered to that policy as had other Administrators before me. This policy now seems to be out the window and a new policy seems to have developed, which in my judgment is detrimental to the program itself. If the Administrator's office is to be used as a partisan political instrument, it certainly follows that bipartisan support for the program would be damaged.

In this context, another practice which has occurred in the Rural Electrification Administration should be brought to your attention. While Republicans as well as Democrats have fund-raising dinners, and properly so, previously, in accordance with regulations, no one in the classified service was contacted for contributions within the agency. To my knowledge, the only persons who contributed from REA when I was there were myself and my deputy.

In the Department of Agriculture, Rural Electrification Administration, there has been the policy as set forth in chapter 70, title 8, section 2, paragraph 2505 of the Administration Regulations and in Staff Instruction 690-3 that:

"Lists of employees shall not be furnished to any person, organization, or firm except on written application showing the purpose for which such lists are to be used, and then only when the furnishing of such lists is in public interest. In determining the public interest involved, attention should be given to the purpose of the request and any interference with proper conduct of the public business which the preparation of the lists may entail. This limitation does not extend to official publications or lists of officials available for public use. Lists of employees may not be furnished for purposes of political solicitation."

It has come to my attention that the Democratic National Committee contacted employees grade 13 and above after having obviously procured a list of REA employees by grade as well as addresses. Many of these were contacted in the agency by high officials, including the Deputy Administrator.

You can certainly understand the impli-

cation of this. This had never happened before and such a policy is certainly not conducive to good morale in the agency because of the dissension and financial hardship that might result. The attention of the general public should be focused on such practices on the part of responsible public officials in a Government agency.

I felt you should have this information and I would be interested in your opinions regarding the circumstances that I cite.

Sincerely yours,

ANCHER NELSEN.

Chairman DAWSON very kindly responded to my letter, suggesting that it be referred to the proper legislative committee. This I did, and the chairman of the House Committee on Agriculture referred it to the Secretary of Agriculture. Mr. Freeman replied to Mr. COOLEY by letter dated May 28, 1963, stating as follows:

[SEAL]

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C. May 28, 1963.

HON. HAROLD D. COOLEY,
Chairman, House Committee on Agriculture,
House of Representatives.

DEAR MR. CHAIRMAN: Following receipt of your letter with its accompanying letters to you and to Congressman DAWSON from Congressman ANCHER NELSEN, we have given thorough study to the questions raised by Mr. NELSEN.

There has been an exchange of correspondence between Congressman NELSEN and REA Administrator Clapp on the subject of Mr. Clapp's participation in the 1962 election campaign in Minnesota.

Mr. Clapp has been active in the Democratic Party in the midwest for a number of years. As a Presidential appointee, he is not subject to the Hatch Act. He did not travel to Minnesota last November at Government expense.

In his letter to Congressman DAWSON, Mr. NELSEN makes reference to Section 9 of the Rural Electrification Act. This section, insofar as it is pertinent here, is as follows:

"This act shall be administered entirely on a nonpartisan basis, and in the appointment of officials, the selection of employees, and in the promotion of any such officials or employees, no political test or qualifications shall be permitted or given consideration, but all such appointments shall be given and made on the basis of merit and efficiency."

The activities of the REA Administrator cited by Mr. Nelson do not come within the terms of this provision. In view of the express terms of the Hatch Act, there is no reason why Mr. Clapp should not participate in political campaigns in the same manner as is authorized for other Federal officers similarly employed.

Each year employees of the Department of Agriculture apparently are solicited for contributions by the Republican National Committee and the Democratic National Committee. I have not been able to find any basis for the allegation that employee lists have been provided for any political party organization.

We are returning the correspondence you called to our attention, and appreciate the opportunity to comment on these matters.

Sincerely yours,

ORVILLE L. FREEMAN,
Secretary.

I should emphasize at this point that at no time have I made the allegation that Mr. Clapp's political activities in the campaign last fall constituted a violation of the Hatch Act. In my letter to Chairman DAWSON, however, I did question the propriety of Mr. Clapp's political activities in view of the tradi-

tional nonpartisan conduct of previous REA Administrators, who, including myself, had been guided by the general nonpartisan tones set forth in section 9 of the Rural Electrification Act.

I feel that this change of policy should be noted and I feel it is a disservice to the REA program and will be damaging to its future stature by permitting its Administrator and its employees to become political implements rather than the devoted servants that they have been to the great program of rural electrification.

Mr. WHITTEN. Mr. Chairman, I ask unanimous consent that all debate on the remainder of the bill close in 45 minutes, the last 5 to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

Messrs. GROSS and COLLIER objected.

The Clerk read as follows:

LOAN AUTHORIZATIONS

For loans in accordance with said Act, and for carrying out the provisions of section 7 thereof, to be borrowed from the Secretary of the Treasury in accordance with the provisions of section 3(a) of said Act, as follows: Rural electrification program, \$425,000,000, of which \$150,000,000 shall be placed in reserve to be borrowed under the same terms and conditions to the extent that such amount is required during the current fiscal year under the then existing conditions for the expeditious and orderly development of the rural electrification program; and rural telephone program, \$70,000,000.

Mr. BECKER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BECKER: On page 26, strike out lines 9 to 20, inclusive.

Mr. BECKER. Mr. Chairman, for many years, in my service in the House and for the past 10 years and this year—and I will certainly give the Members who are interested in economy a chance to vote for economy now—I have for the past 10 years made a very sincere effort that the Rural Electrification Administration borrowing be done at a cost that is paid by the Treasury in its borrowing; in other words, the going rate of interest. Unfortunately, for years the House has voted down this amendment. And then I introduced legislation, but, of course, that has not seen the light of day. Now, what I do under this amendment today is by the language used in the Appropriations Committee report saying that the Rural Electrification Administration has now outlived its original intention; that 98 percent of the farms and rural areas of this country have been serviced by REA; that a good job has been done, and the loan program is no longer needed. All this amendment does is to strike out the \$425 million of borrowing authority for REA.

Now, why do I use the Committee on Appropriations report? In granting the requested loan authorizations, the Appropriations Committee gave recognition to a widely expressed criticism of REA for its practice of advancing large vol-

umes of electrical generation and transmission loans for the primary purpose of building new power generating plants.

In granting the \$425 million electrification loan authorization, the committee provided that \$150 million of the amount should be placed in a contingency reserve—and that the contingency authorizations could be released “only after a further showing to the Bureau of the Budget that the program is being handled on a satisfactory basis and there is a substantial need for the additional funds.”

Now, it must have taken considerable testimony to make the Committee on Appropriations write this restriction into the bill. They put a restriction on this for the first time, and I believe from further testimony they had very good reason to do so.

Under those circumstances there would appear to be a serious question as to whether some substantial part of the loan authorization should not in fact be denied—rather than merely being placed in a contingency reserve from which it might be released by the Bureau of the Budget. Facts bearing on this question include the following: Treasury funds are loaned to the rural electrification associations at a 2-percent interest rate—or approximately one-half of the cost to the Treasury of the borrowed funds. Hence the low-interest rate results in a substantial cost item to the Government and in a substantial subsidy for REA generating plants. Electrical service already has been extended to approximately 98 percent of all farms in the United States. About four of every five new customers being added to the REA system are nonfarm power users today.

Of the \$425 million electrification loan authorization in this bill for 1964, \$295 million has been earmarked for generation and transmission loans—thus carrying on the trend in recent years of committing the bulk of the loan funds to the construction of power generating plants (\$125 million is earmarked for distribution system loans and \$5 million for the strengthening of power loads).

Let me quote this, if I may, and just listen to this language:

In appearing before the Appropriations Subcommittee, REA spokesmen stated that they looked upon the availability of generating and transmission loans, for the construction of new generating plants as a desirable and proper “weapon” to be used by rural electrification associations in their negotiations with private power suppliers over prices to be charged for electrical energy.

Imagine, this is the REA. Our money is being used as a weapon over the private industries from whom we are taking taxes.

They further agreed that in evaluating the need for a new generating plant for which 2-percent loans of public funds are being sought, they do not take into account measurements of interest and tax subsidies enjoyed by the REA system, as compared with privately owned power facilities.

Without going through all of the rest of it with regard to any further generation and transmission loan approval, I wish you would listen to this language:

The Administrator should certify to the Secretary of Agriculture that each of these steps has been taken and that the private supplier has been given an opportunity to make the contract reasonable, specifying the details, for refusal or failure to do so.

Nobody has been able to convince the REA of anything at any time, and certainly a private producer of power just cannot convince the REA that they can give the power.

Mr. TEAGUE of California. Mr. Chairman, will the gentleman yield?

Mr. BECKER. Briefly, yes.

Mr. TEAGUE of California. I would like to commend the gentleman for the statement he is making and advise him I have pending a bill which would require the REA to pay the going rate of interest. I solicit his support and that of other Members.

Mr. BECKER. In view of the fact that we cannot get that out I think we ought to knock it all out because we reached the point of no return and we have so many economy-minded Members with us today that this is a good opportunity to do a real job.

As the gentleman pointed out, regarding the true economic cost of power by REA loans, if everything were taken into account, there would be few instances where such loans could be justified on the basis of cost. The economic cost of power by investor-owned utilities includes the cost of interest, operating expenses, depreciation, and taxes, very little of which hits the REA.

Mr. Chairman, I move the adoption of this resolution and I think we could not only do a job for our economy but we could do a job for free enterprise in this country, the free enterprise system which is supporting the farm program and for the taxpayers of this country who have to foot the bill, and the private power industry that is paying hundreds of millions of dollars in taxes into our Federal and State treasuries. I think it would be the proper time to strike this type of blow.

Mr. NATCHER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, 28 years of REA has caused a revolutionary change in American farm life and unless you have witnessed this momentous change you do not have any deep realization of just what REA has meant to the American farmer and to the farm wife.

I say to my friend, the distinguished gentleman from New York State, that his amendment reminds me of the little boy who caught the fish and he said to it, “Little fish, hold still; all I intend to do is gut you.”

Mr. BECKER. That is right.

Mr. NATCHER. And he admits that is what he wants to do.

Mr. BECKER. No question about it.

Mr. NATCHER. I say this to you, any bill that is presented to the Congress of the United States pertaining to REA goes either to the Committee on Agriculture, the Committee on Banking and Currency, or the Committee on Interstate and Foreign Commerce. These are outstanding committees in the House. They have outstanding members and outstanding chairmen. Why not come in through the front door and try to do what you hope to do, instead of coming in through the back door? Why not let your bill go to the proper committee,

have hearings on it and then have them decide what shall be done?

I say to you that there is not a line in this bill that does more for the American farmer than REA. REA is one of the great achievements of our present-day Government.

An appropriation bill is not the vehicle to ride in this instance. Why not come in through the front door and do it according to House rules?

Mr. Chairman, I ask every Member of this House to carefully consider this amendment, and to understand the intention of the gentleman who has offered it. Let us vote this amendment down.

(Mr. NATCHER asked and was given permission to revise and extend his remarks.)

Mr. McCLODY. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, it might be appropriate for this subject to go to the Government Operations Committee, upon which I happen to serve, because the Subcommittee on Natural Resources and Power has jurisdiction to investigate the subject of the economy and the efficiency of the agency which we are discussing here today, the Rural Electrification Administration.

There also happens to be at the present time a conflict, an announced, well-known conflict, between the Federal Power Commission and the REA, both of which are under the jurisdiction of the Subcommittee on Natural Resources and Power of the Committee on Government Operations.

Certainly I think it would be well for the Congress to consider whether or not the intent of Congress is being carried out by REA. We know perfectly well that in 1936 when this agency was created it was for the purpose of delivering electricity to the rural areas, to the farms of America. That function and purpose has been carried out. We know that there are now less than 3 percent of the farms which are not electrified. Most of the funds which are sought to be appropriated here are going to residential, industrial and commercial areas, which certainly was not the intent of Congress.

Mr. ALGER. Mr. Chairman, will the gentleman yield?

Mr. McCLODY. I yield to the gentleman from Texas.

Mr. ALGER. Does the gentleman know the rate of interest charged for REA loans at this time?

Mr. McCLODY. The rate of interest is 2 percent. That is what the REA pays to the Government. But as I understand it the Federal Government has to borrow this money at 4 percent in order to lend it to the REA at 2 percent. The REA co-ops then in turn compete with private enterprise. That is one of the subjects with which the Congress is concerned here today.

However, I think the Members are concerned today with the entire function and existence of REA. Whether this is the proper approach, whether this is the time to do it, I do not know. There are various ways of approaching this problem, and perhaps the Committee on Government Operations would be the best place for this to go. I requested

the chairman of my subcommittee that we have a review there of the present operations of REA, but I am afraid we are going to wait a year before we get to that. Meanwhile, I suggest that this is a good amendment, this is a good start.

You know, the Congress creates these agencies and it is very hard to abolish them, but this is one whose functions ought to be terminated. Maybe, if REA had to charge interest at a rate equal to that which the Government pays there would not be this competitive advantage which we are giving to the REA, and private enterprise would be able to flourish again. The administration has declared that is the main purpose of the tax bill, as I understand it, is to encourage free enterprise in order to create more revenue. Here is a change to coordinate REA's activities with the announced intent of the administration and give an assist to free enterprise here today.

My position is borne out well in an editorial which appeared in the January 12, 1963, issue of the Wall Street Journal to which I am calling the attention of the Members, as follows:

THE DEADLY COMPETITOR

The act of 1936 setting up the Rural Electrification Administration authorized the agency to make loans for furnishing electricity to "persons in rural areas." How is it, then, that in the last few years five out of six new REA co-op customers haven't been truly rural at all, but commercial, industrial and nonrural residential?

For one thing, REA activities reflect the changing character of the Nation; farms are fewer, suburbs have sprawled out from the cities into once-rural lands. And REA Administrator Norman Clapp contends that a territory developed by a co-op "in good faith" when it was rural still is co-op territory even though today it may be a vast suburban or industrial complex.

For another, as Hubert Kay notes in an article in the February Fortune magazine, the REA's co-ops have become increasingly aggressive in going after commercial-industrial business. So much so that whereas it once used only 2.5 percent of its loans to build new generating plants and transmission lines it now uses over 16 percent. The REA system's rapid growth as a power producer has further alarmed already skittish investor-owned power companies which see in REA an ever-expanding power grid with which they cannot forever compete.

For the private utilities pay from 4 to 5 percent for money they need to borrow; the co-ops have the use of Federal funds at 2 percent (which the Government borrows at 4 percent). Utilities pay out about 24 cents in taxes of each dollar received, including 13 cents in Federal income tax; co-ops pay no direct Federal taxes at all and, as co-ops, enjoy preferred State and local tax treatment. And whereas companies are tightly regulated by State and Federal agencies, most co-ops can set their own rates. So the co-ops' competitive advantage is immense.

Now there's one fairly simple way to bring about competition on a more nearly equal basis. And that is to strip the REA co-ops of their protective mantle of subsidies and preferences and thus force them to really compete with private companies. In short, make the REA pay its way in the marketplace.

But as it is, the REA stands as an archetype of a Government agency that not only refuses to die when no longer needed but also uses every unfair means available to kill off its investor-financed competition.

Mr. WHITTEN. Mr. Chairman, I ask unanimous consent that the amendment be again read.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. BECKER: On page 26, strike out lines 9 through 20, inclusive.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman says his committee should look into this matter. I have never opposed any committee looking into these areas. I feel that they should. We have sought to call the attention of the Members of Congress to the fact that any changes in the basic law ought to be made by the legislative committee. What this does is strike out all funds for this great system and the electric cooperatives serving the country. If you want to change it or let the private utilities do it, go to the legislative committee and let them do it, but do not strike anything out of the bill here with regard to the existing situation. With all deference to my colleague from New York, whom I have known a long time, I cannot believe he is serious about this.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. BECKER].

The question was taken; and on a division (demanded by Mr. FORD) there were—ayes 53, noes 140.

So the amendment was rejected.

Mr. MICHEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MICHEL: On page 26, line 14, strike out \$425 million and insert in lieu thereof \$400 million.

(Mr. MICHEL asked and was given permission to revise and extend his remarks.)

Mr. MICHEL. Mr. Chairman, during the course of general debate we touched on this subject. I pointed out the bill that I had introduced today as a result of our being unable to do fully what I would have liked to do legislatively as an amendment to an appropriation bill. I am not going to take the time to go into that. Members will recall last year that we increased the Rural Electrification Administration \$100 million. In other words, from \$300 million to \$400 million. This year the request was for an additional \$25 million increase. I submit to you that this is a good point to hold the line at last year's level, at \$400 million as just a little warning from the House of Representatives to the administration downtown to take full cognizance of the manner in which the chairman in his report has outlined the deficiencies in this program. It is a strong report offered by the chairman of our subcommittee, the gentleman from Mississippi [Mr. WHITTEN]. It is a good report. If they follow it to the letter we will have made some constructive progress. But I say that to implement that we could do very well here by holding the line. We are giving them plenty of money. This is not putting any limitation on

generation and transmission. I would remind my colleagues that better than 65 percent of the loans today are going for generation and transmission. My reasoning is this: 98 percent of the farms are electrified. They want a \$25 million increase. We only have 65 percent of the farms with telephone service, but we cut that down \$10 million. This is the area where you ought to be making more progress to get more farms with telephones. One-third of the farms are without telephones. But we cut that back \$10 million. I say if we can do it in that area then a little \$25 million gig is not going to hurt these folks downtown one bit.

I want to refer to another area. You have the school milk program. With the increase in population, we held that at \$100 million this year with no increase. It seems to me, that is good justification for holding the REA administration at \$400 million.

May I cite to you just a few of the examples that we touched on earlier of what has been done here. In the REA particularly with respect to the construction of generation and transmission lines, I cited a case in Florida at the Eglin Air Force Base where the Air Force granted a contract to a cooperative to build parallel lines going up to Elgin Air Force Base. Why? Because the cooperative could get 2-percent money and with their taxes foregone could be the low bidder. Their mill rate, of course, is just a fraction under what private industry can deliver it. So the cooperative gets the contract, and we have the American taxpayers subsidizing in effect a cooperative to compete with private industry.

In Gainesville, Ga., we have just been reminded in the last couple of days of a section 5 loan in a town where there are two packing plants run by private industry. Just outside the town we see a section 5 loan for a third packing plant. Then the Small Business Administration comes in with an additional amount to put this third plant constructed with public funds in direct competition with private industry.

I cited earlier examples of home loans made in the State of Iowa from funds from the general revenues of cooperatives by the directors and officers of a co-op at 4 percent, when the co-op is getting money at 2 percent and the local banks obviously are making no other mortgage loans in those communities for as low as 4 percent. The Upshur loan which was made down in Texas was a generation and transmission loan under the third criteria with no justification whatsoever.

Mr. Chairman, yesterday before the Senate Appropriations Committee in open testimony the Chairman of the Southwest Power Administration disclosed that they could not possibly produce power cheaper than private industry could produce it in that area.

Mr. Chairman, down in Arkansas, I have a letter from the power company down there showing and indicating that the first time they have ever had or could tell, for sure what the REA proposed to generate and transmit its power for was

by virtue of reading our hearings, because everything else was so secret. The full text of the letter reads as follows and tells a vivid story:

ARKASAS POWER & LIGHT CO.,
Little Rock, Ark., May 15, 1963.

HON. JAMES L. WHITTEN,
Chairman, Subcommittee on Department of Agriculture and Related Agencies Appropriations, Committee on Appropriations, U.S. House of Representatives, Washington, D.C.

DEAR CONGRESSMAN WHITTEN: Upon publication of part IV of the hearings before your Subcommittee on Department of Agriculture Appropriations for 1964, Arkansas Power & Light Co. for the first time learned from information furnished by Mr. Norman Clapp, Administrator of the Rural Electrification Administration, as reported on pages 2478-2479 the estimated costs of power which were used as a basis for REA approval of a loan to the Arkansas Electric Cooperative Corp., for a 100,000-kilowatt steamplant and 630 miles of transmission line. The information furnished by Mr. Clapp is that the estimated average cost of power from the REA generation and transmission facilities for the 10-year period 1966-75 delivered to the load centers of the member cooperatives is 7.42 mills per kilowatt-hour. The comparative estimated cost of power from Arkansas Power & Light Co. for the same period is reported as 7.81 mills per kilowatt-hour.

We feel it is our duty to call to the attention of you and your subcommittee members, and the Arkansas congressional delegation, the fact that the estimated cost of power from this company is grossly in error. Our rate schedule under which we already have eight 10-year contracts with rural electric cooperatives in Arkansas is rate schedule 22-B. The basic rate therein provided is 6.67 mills per kilowatt-hour, subject to adjustments for changes in cost of fuel. Taking into account the expected increase in the cost of fuel through 1975, the average cost of power to rural electric cooperatives for the period 1966-75 based on this schedule is 6.92 mills per kilowatt-hour.

The Administrator reported that the justification of the loan was a 10-year saving of \$2,900,000 based on the 7.42 mills per kilowatt-hour from the generation and transmission facilities as compared to 7.81 mills per kilowatt-hour from Arkansas Power & Light Co. When the correct figure of 6.92 mills per kilowatt-hour is substituted for the erroneous 7.81 mills per kilowatt-hour, the alleged saving of \$2,900,000 becomes a negative saving or an increased cost of \$3,700,000.

This should graphically illustrate the crying need for some forum where these matters can be aired prior to approval of loans, so that the overall public interest can be protected. In this case, it is quite obvious that almost \$25 million of the taxpayers' money has been approved for a loan on grossly erroneous figures.

In the testimony which was presented to your subcommittee by Mr. H. F. Minnis, vice president of Arkansas Power & Light Co., it was stated that on the basis of the best estimates we were able to work out without information from REA, we believed that the rates available under our schedule 22-B represented a lower cost of power than could be achieved through the proposed generation and transmission facilities. The figures now made public by Administrator Clapp confirm this belief.

Yours very truly,

FLOYD W. LEWIS,
Vice President.

Mr. Chairman, I would urge the adoption of my amendment as a little token

of our affection that we really mean business in the committee report.

Mr. NATCHER. Mr. Chairman, I rise in opposition to the amendment.

(Mr. NATCHER asked and was given permission to revise and extend his remarks.)

Mr. NATCHER. Mr. Chairman, during the hearings on this bill we had a number of witnesses who appeared in behalf of the provisions of the bill concerning the REA. We had other witnesses who were critics of this program and they hoped a greater portion of the money would be stricken out of the bill. As the bill came to the Congress and as it was presented to the Committee on Appropriations, \$75 million of the authorization amount of \$425 million was placed in a contingency fund. This contingency fund was developed and this program of placing a portion in a contingency fund was started by the Committee on Appropriations of the House of Representatives.

Mr. Chairman, as the bill reached the Congress, \$75 million of the \$425 million was in a contingency fund.

Well, after we had heard the witnesses on both sides our subcommittee recommended to the full Committee and the bill now comes to the floor with \$150 million of the overall amount of \$425 million in a contingency fund.

Mr. Chairman, what does that mean? It means when a generation or transmission loan application is filed and is considered, then after the amount has been approved, the Administrator of the REA and the Department of Agriculture, would then make demand upon the Bureau of the Budget for a release of this necessary money.

Mr. Chairman, I am very fond of my able friend, the gentleman from Illinois, [Mr. MICHEL] I say this to the Members of the Committee he is one of the able men in the House. He is one of the best members of our committee. But I say to you again, if you want to gut the entire program here is the place to start.

Mr. Chairman, what did we do? We carried that amount up from \$75 million, as my friend, the gentleman from Illinois, knows. We carried it up from \$75 million to \$150 million in the contingency fund.

The REA program has been a successful program. Not one single generation or transmission loan has been made by the REA section of the Department of Agriculture that did not come within the provisions of the law. The REA division and the Department of Agriculture operates the same as it would if it were in a fishbowl from the standpoint of letting everyone know what is going on.

I say to you today, if you want to destroy this program here is the place to start.

Again I call the attention of the Members of the House to the fact if you want to change this program, why not introduce a bill and have it go to the proper legislative committee, ask for hearings and justify your position? Why come in here at the time we have an appropriation bill up for consideration and try to make law? That is what you are doing. In this instance you are

not doing anything in the world but trying to destroy this program.

If there is one program in this bill that means more to the American farmer than REA, I know nothing about it.

Mr. Chairman, this amendment should be defeated.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield to the gentleman from Illinois.

Mr. MICHEL. Mr. Chairman, I want to subscribe to what the gentleman says in respect to changing organic law. That is what I have done by virtue of the bill I have introduced. But what my amendment calls for, and I am sure the gentleman will agree, is perfectly within the rules and is done every day on appropriation bills. This would cut back the figure from \$425 to \$400 million.

Mr. NATCHER. The gentleman introduced his bill today; is that correct?

Mr. MICHEL. Yes.

Mr. NATCHER. I know it will be assigned to the proper committee, and after hearings I hope it comes to the floor of the House and there let the House work its will. But I say again to the House, if you want to destroy this program, all you have to do is to start adopting amendments such as the amendment offered by the gentleman from Illinois.

Mr. MICHEL. I would have to differ with the gentleman on that. It is simply a limitation on funds.

(Mr. NATCHER asked and was given permission to revise and extend his remarks.)

Mr. COLLIER. Mr. Chairman, I rise in support of the pending amendment.

Mr. Chairman, normally I would, as many people from areas such as I represent, be constrained not to speak on an agricultural appropriation bill. However, in the instance of the question involved here, I feel that this is of deep concern not only to those of us who come from urban areas but those of us who believe in the free enterprise system. Today I am speaking for the free enterprise system as it applies to the abuses that the REA has been guilty of in its competitive practices for a long time, practices that are being aided and abetted by Government programs.

I invite the attention of the House, particularly you gentlemen from petroleum-producing areas—I do not happen to be from one—that in the May 1963 issue of the Rural Kentuckian magazine, the Henderson-Union REA Co-op ran this advertisement:

We offer free electric water heaters to consumers building new homes, to consumers in existing homes that do not have a water heater, and to any consumer now using any type of water heater other than electric and wishes to install an electric water heater.

Again, the Allmakee-Clayton Electric Cooperative, of Postville, Iowa, offers to pay consumers \$5 to \$50 for the installation of certain appliances. While it might be argued that the funds for these programs come from the co-op's general fund, nevertheless, their general funds are supported by the REA loans and REA lending makes it possible for

the cooperative to carry on these programs aimed at the destruction of private tax-paying enterprises.

The REA's are able to borrow 2 percent when the taxpayers of my district and every other district in this country are picking up a tab of 4 percent for the money that the REA's are using.

I think it is high time that we realize what the original purpose of the REA was. For those of you who are not concerned with what happens to the free enterprise system, what I say will probably have little or no effect on you.

But for those of you who are concerned I say that we have reached the point, or we have long passed the point where we should permit the REA to continue to operate with the tremendous advantage it has directly in competition with private industry.

When the gentleman from Kentucky says there is a way to correct this thing, why come through the back door? He knows very well that any of this type of legislation that tried to find its way through the front door would find it locked and barred. Hence the only alternative, the only avenue open to many of us is just the avenue that we seek is here today, and I assure the gentleman from Kentucky that legislating on an appropriation bill, if that is what he calls these amendments, is certainly not a new precedent on this floor. And, if that is the way it has to be done, if that is the only way that the voice of free enterprise can be heard, then, for goodness sake, let us go in the back door.

Mr. Chairman, I urge the adoption of this amendment.

Mr. WHITTEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, may I say that the amendment offered by the gentleman from Illinois is in line with what we do each year. If you read the report on which my name appears, you will see that the committee made every effort to see both sides of this problem and to set out to correct it. I have had assurances from the REA administration that they will abide by the directives of this committee. May I say further, that in connection with the hearings we concluded in our committee, we would put an additional \$75 million that was in the budget in the contingency reserve. We did that for this reason. We, too, feel that perhaps they can get by with less money, but in case we are wrong, we fixed it so that they will have sufficient funds which they can release if necessary.

I think we presented this matter where we will know what is going on. And, they will have to go to the private power companies and try to get a contract first before they will be able to go ahead and make loans. I think you should stand by the committee and defeat the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. MICHEL].

The question was taken; and on a division (demanded by Mr. MICHEL) there were—ayes 84, noes 111.

So the amendment was rejected.

Mr. BECKER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BECKER: On page 26, line 14, strike out "\$425,000,000" and insert "\$275,000,000" and strike out all language thereafter on line 14 and all that follows to the word "and" on line 19.

Mr. BECKER. Mr. Chairman, I am not going to take the 5 minutes, but first I would like to say to the gentleman from Kentucky, if he would listen, that in my remarks on my original amendment I stated clearly and concisely that for years I have been trying to amend the authorization bill in reference to the interest rate. I have introduced legislation on that, but that legislation has never seen the light of day. If it is wrong to do this on the floor then I say it is about time that we changed the rules of the House of Representatives and prohibited amendments on the floor. Then we would not have an opportunity to come in the back door, and this being the greatest representative body in the world, would be destroyed. As I say, this is the method we are forced to use today, not because we want to, but we have no alternative. I would like to remind the gentleman from Kentucky of that fact because he used that argument twice, both with respect to my amendment and with respect to the amendment of the gentleman from Illinois.

This amendment is very clear. It is a very simple one. I think it is practically amended by the Committee on Appropriations in its own language, in its own report, in reference to the \$150 million, and why they are in a very slight sort of way locking it up with only the approval of the Bureau of the Budget. If the Committee on Appropriations has such reservations as to the proper use of these moneys, I would say this: I do have faith in the Committee on Appropriations and there will be supplemental appropriation bills later on and next year. I say this: If we do what the Appropriations Committee suggests and cut out the \$150 million and reduce it to the \$275 billion, then if they find in the future or next year that the REA is doing a proper job in their judgment and is living up to the rules and regulations then they can come in with a supplemental appropriation and ask for the funds they might need.

That is the extent of my amendment, Mr. Chairman, and I sincerely hope this will carry.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, may I say to the gentleman from New York that the majority of our subcommittee felt we should spell out how to handle these things as we see them and give them time in which to do it. His amendment would cut it down in advance of correcting these things. Since the House was against the amendment which would have cut \$25 million, certainly I hope you will stand by us on this amendment which will give us and the administration a chance to work this out. I hope you will defeat the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. BECKER].

The amendment was rejected.
The Clerk read as follows:

RURAL RENEWAL

For necessary expenses, including administrative expenses, in carrying out rural renewal activities under section 32(e) of title III of the Bankhead-Jones Farm Tenant Act, as amended, \$1,000,000.

Mr. PELLY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PELLY: On page 27, strike out line 16 through line 20.

Mr. PELLY. Mr. Chairman, my amendment would strike \$1 million to initiate the rural renewal program under section 32(e) of title III of the Bankhead-Jones Farm Tenant Act.

Mr. Chairman, in considering H.R. 6754, the agricultural appropriation bill before us today, the question arises as to just how far the administration is prepared to go in furthering socialization—or, if you prefer what is supposed to be a less obnoxious term—the nationalization of the agricultural industry.

Since the inception of the price support program, the Department of Agriculture has employed every artificial device that socialistic-minded bureaucrats could dream up, in order to manage the Nation's farmers and control their capacity to produce, with a conspicuous lack of success.

Now, a new project is in prospect, to further burden and harass private enterprise. The Department of Agriculture is implementing a so-called rural renewal program designed to convert farmland into recreation land, for the purpose of increasing the income of family-sized farms and take acreage out of production. In this connection, it is looking for farms to use as pilot projects and there is \$1 million in this bill to start the program. Under the program, the Government would assist the land-use conversion with a cost-sharing plan. If the pilot program is successful—that is, as far as the Government is concerned—farmers would be eligible to take part in a government cost-sharing program, which would in effect mean that the Government would pay 50 percent of the cost of developing the different types of recreational facilities on farmlands.

On the surface, this sounds pretty good, as do many of these dream programs. However, let us examine this project in practice. One of my constituents, an attorney in Seattle, Wash., represents a small family corporation organized about 4 years ago. The business of the corporation is located on land in Maple Valley, just a few miles south of Seattle. The family, which formerly farmed the land, incorporated and established a business which consists of a semi-dude-ranch operation, including swimming, picnic facilities, barn dance facilities, horseback riding facilities and related outside games and recreational activities, available to groups and others desiring these accommodations.

This purely private enterprise, owned and operated by "old frontiersmen", after some difficult times is at last getting on its feet financially. It is capita-

lized at \$120,000, unsubsidized by any Federal funds and totally owned by members of the family.

Imagine, if you will, the consternation of this corporation when it learned that two of the pilot projects being considered by the Department under the new program are both in the Maple Valley area, and one of these projects involves land immediately contiguous to and adjoining the property upon which the corporation maintains its facilities. This operation would include facilities substantially identical to those of the private corporation, with the addition of an artificial fish lake and fish-rearing pond. It goes without saying that the private corporation is not very enthusiastic at the prospect of a Government-subsidized competitor adjoining its facilities, or anywhere else in the general area.

Mr. Chairman, I have lived in King County all my life and I have never heard of any subsidized agricultural surplus crops being grown in this rural area immediately adjacent to Seattle except perhaps milk. Consequently, if the purpose of this program is to take acreage out of production, it is hard for me to understand why pilot projects are even being considered in this area. Here is a case in point where a privately financed enterprise is faced with ruination by having to compete with a Government-subsidized competitor, financed by the use of funds our Government must obtain from their children and mine and generations yet to come.

In my judgment, it is high time that these pie-in-the-sky schemes are jettisoned and that the Department of Agriculture implement steps for an orderly return to the free enterprise system of our forefathers.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this legislation was adopted by the Congress. It was enacted into law. It is a new program. The committee has held the funds to a minimum in order to get started on the program.

But when Congress enacts a law we feel we should not exercise the power of veto. If the gentleman's amendment is adopted, that is what it would amount to. It is related to kindred programs that have been passed heretofore.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman.

Mr. PELLY. I would say to the Chairman of the subcommittee that the Appropriations Committee rightfully did not exercise the power of veto and I applaud them for it. But I think the House should work its will and, therefore, I hope it will approve the amendment.

Mr. WHITTEN. I am glad the gentleman has made his position clear, as it agrees with mine. I say that the amendment in effect would veto the program that was enacted into law. Our subcommittee did not feel that we should do that. I hope the Committee will support our committee's position and support the amendment.

The CHAIRMAN. The question is on

the amendment offered by the gentleman from Washington [Mr. PELLY].

The question was taken; and on a division (demanded by Mr. PELLY) there were—ayes 87, noes 105.

So the amendment was rejected.

The Clerk read as follows:

Sec. 606. Not less than \$1,500,000 of the appropriations of the Department for research and service work authorized by the Acts of August 14, 1946, July 28, 1954, and September 6, 1958 (7 U.S.C. 427, 1621-1629; 42 U.S.C. 1891-1893), shall be available for contracting in accordance with said Acts.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: Page 33, immediately after line 12, add the following new section:

"SEC. 607. No part of the funds appropriated by this Act shall be used to conduct or assist in conducting any program (including but not limited to the payment of salaries, administrative expenses, and the conduct of research activities) related directly or indirectly to the establishment of a national service corps or similar domestic peace corps type of program."

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, this amendment is similar to the one I offered to H.R. 5888, the Labor-HEW appropriation bill, and which was agreed to. It would prohibit the use of funds appropriated in this bill for any activities—including the payment of salaries—of the so-called Domestic Peace Corps study group.

It may seem strange that the Department of Agriculture would have any connection with a domestic peace corps, but I can assure my colleagues that the Department has in fact been involved in this deal.

According to the Comptroller General of the United States, in a letter to the distinguished gentleman from Ohio [Mr. DEVINE], employees of the Department of Agriculture have served as members of the so-called study group staff. One, a GS-15, served on a full-time basis for a period of 1½ months.

In addition, the Department transferred to the study group \$1,500 to help meet the expenses of the group.

As I have contended in the past, the activities of the study group are being conducted without specific authority from Congress and I urge adoption of the amendment.

Mr. NATCHER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, again I want to say that I find myself in disagreement with one of my friends. I say to you quite frankly that the distinguished gentleman from Iowa is one of the great Members of this House.

There is no provision in this bill containing any funds for this purpose. I say to you quite frankly this amendment should be defeated for this reason. We go right back to the same discussion we have had on several other amendments. If the Department of Agriculture decides at any time in the future to in-

clude such language, it should be stricken out, and they should go to the legislative committee.

As I understand the amendment that has been offered by the distinguished gentleman from Iowa, it provides that no part of the funds appropriated in this bill in its entirety shall be used for the purpose that he expressed. Mr. Chairman, let us let the legislative committees decide these matters. The appropriations bill is not the proper vehicle. This amendment should be defeated.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield to my friend from Iowa.

Mr. GROSS. I thank the gentleman for yielding. It is true, is it not, that there were no funds in last year's bill for this purpose?

Mr. NATCHER. That is correct.

Mr. GROSS. Yet funds were used for this purpose without any delegation of authority on the part of the Congress at all. Is that not true?

Mr. NATCHER. I say to the distinguished gentleman from Iowa that if any funds were used for this purpose, certainly they were not used with the concurrence of the Committee on Appropriations.

Mr. GROSS. Still, they were used.

Mr. NATCHER. I will say to the gentleman that I think the legislative committee is the proper place for that to be considered.

Mr. WHITTEN. Mr. Chairman, I support the position of my colleague from Kentucky in opposition to this amendment. Certainly the Committee does not have authority to prohibit what is not authorized. There is no authorization in the bill and no money in the bill for such purpose. I would say to my friend who offered the amendment that I do not know that it serves any purpose to prohibit that which is not authorized.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS].

The question was taken; and on a division (demanded by Mr. GROSS) there were—ayes 119, noes 99.

So the amendment was agreed to.

Mr. FINDLEY. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. FINDLEY: Page 33, after line 12, insert the following:

"SEC. 607. None of the funds provided herein shall be used to pay the salary of any officer or employee who negotiates agreements or contracts or in any other way, directly or indirectly, performs duties or functions incidental to supporting the price of Upland Middling Inch cotton at a level in excess of 30 cents a pound."

Mr. WHITTEN. Mr. Chairman, I make a point of order against the amendment, but I will reserve the point of order at this time.

The CHAIRMAN. The gentleman from Mississippi reserves the point of order.

The Chair recognizes the gentleman from Illinois.

Mr. FINDLEY. Mr. Chairman, the legislative history of the agricultural act of 1958 applied to cotton as well as to feed grains and very clearly indicated a gradual but steady stepdown in the level of price supports for cotton.

Secretary Freeman when taking office immediately raised the level of price supports in direct contradiction of the intent of the legislative act of 1958. He continued the price supports at this excessive level. The purpose of my amendment is simply to withhold funds for payment to any officers or employees of the department who would be entering into contracts or agreements providing for this unrealistic price support of more than 30 cents per pound for upland Middling inch cotton.

Mr. Chairman, I urge support for the amendment on the basis of that argument. One of the reasons we had the supplemental appropriation bill for the Commodity Credit Corporation earlier this year was because the price supports for cotton had been set at an unrealistic level. I would also like to mention to those who may not have been in the Chamber earlier today that I had made a unanimous consent request to return to the language on page 17 of this bill. That request was objected to so my point of order was not disposed of by the Chair. I had wished at that time to point out that we are being asked today to legislate a new type cotton subsidy program in the appropriation bill.

Mr. BAKER. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I would be glad to yield to the gentleman from Tennessee.

Mr. BAKER. That is the point I wanted to ask the gentleman about. What effect would the gentleman's amendment have? What effect would the gentleman's amendment have on the Cooley bill which has recently been reported by the Committee on Agriculture in respect to domestic cotton?

Mr. FINDLEY. I happen to be a member of the Committee on Agriculture. The committee, after long consideration and considerable delay in trying to get enough votes to pass it, did pass out the bill. That was some time ago. The bill has not been brought to the floor of the House, I think for the very plain reason that it is of such a controversial character that it proposes a new type cotton subsidy very similar to the action proposed in this language which appears on page 17 of the bill. I do not believe it could pass. I think the Members of this body should know that they are being asked to pass a bill today which includes language which could inaugurate the very same type of unwise subsidy program as embodied in the so-called Cooley bill.

Mr. Chairman, it is interesting to note that in the committee report there was reference to the fact—I will read the exact wording of the report which explained the need for the \$25 million which is provided for on page 17 of this bill. It says:

For example, an increased consumption of 1 million bales of cotton alone could save the taxpayers some \$30 million.

Mr. Chairman, it just happens that

a bale of cotton weighs 500 pounds. Five cents has been talked about as a compromise mill subsidy to meet this disparity which they have with foreign mills. Five cents times 500 pounds come out at \$25 a bale. Then, \$25 a bale times 1 million bales, as mentioned in the committee report, comes out precisely at \$25 million as provided in the language of the bill on page 17 thereof.

Mr. Chairman, at this point I would like to renew my unanimous-consent request that we return to the language on page 17, line 5, and make a point of order against the language beginning with the word "and", and all that follows to the period on line 11, on the ground that it is legislating on a general appropriation bill.

Mr. WHITTEN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from Minnesota.

Mr. QUIE. In regard to the so-called Cooley bill is it not true that in the Cooley bill there is provision that price supports can be dropped down to 30 cents and a direct payment be made on the first 15 bales of cotton of 10 percent? It does the same thing as the gentleman seeks to do in the gentleman's amendment.

Mr. FINDLEY. The effect of my amendment would be to require that no salaries be paid to officers or employees who would negotiate contracts or agreements which would support upland Middling inch cotton in excess of 30 cents a pound.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. JONES of Missouri. Mr. Chairman, I want to speak to the point of order.

The CHAIRMAN. Does the gentleman from Mississippi [Mr. WHITTEN] press his point of order?

Mr. WHITTEN. I will not press it for the moment and yield to the gentleman from Missouri [Mr. JONES].

The CHAIRMAN. The gentleman from Missouri has indicated he desires to be heard on the point of order which has not been made.

Mr. WHITTEN. Mr. Chairman, I make the point of order, if I may.

The CHAIRMAN. The gentleman will state his point of order.

Mr. WHITTEN. Mr. Chairman, I make the point of order on the basis that the prohibition that would be set up here would require new duties to be performed in determining who negotiates, whether their actions constitute negotiations, or whether their actions in any of these particulars are in such a manner as to have their salaries not paid, particularly in view of other laws which require that employees of the Federal Government be paid certain specified sums.

Mr. Chairman, it does call for new duties and there is no limitation in its entirety.

The CHAIRMAN. Does the gentleman from Missouri [Mr. JONES] desire to be heard on the point of order?

Mr. JONES of Missouri. I desire to be heard, Mr. Chairman, on the point of order.

The CHAIRMAN. The Chair would be pleased to hear the gentleman from Missouri on the pending point of order, and then will take up the point of order of the gentleman from Missouri when we dispose of this matter.

[Mr. JONES of Missouri addressed the Committee. His remarks will appear hereafter in the Appendix.]

(Mr. JONES of Missouri asked and was given permission to revise and extend his remarks.)

The CHAIRMAN (Mr. KEOGH). The Chair is prepared to rule.

The gentleman from Illinois [Mr. FINDLEY] has offered an amendment which provides for the insertion of a new section, which amendment provides in words that none of the funds provided in the pending bill shall be used to pay the salary of any officer or employee who does certain things.

In the opinion of the Chair, that constitutes within the rules of the House a limitation on the funds being appropriated and is a proper form of limitation. Therefore, the Chair overrules the point of order.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, the record will show that most of the witnesses who testified before the legislative Committee on Agriculture recommended that price support levels be reduced to the amount that is in the amendment offered by the gentleman from Illinois.

The point I would like to make to the House here at the present time is that the agricultural laws are very complex. If we offhand here try to change those laws, laws which require that the Secretary of Agriculture on or before a certain date announce price support levels, it could hurt many people throughout the United States who have entered into contracts based on those announcements which are a part of the law. This amendment, if adopted, would seriously affect the business relationship of many people throughout the United States who are not farmers.

May I say again, the witnesses who appeared before the committee supported the price support level, so I am told.

Here is the main reason I oppose the amendment. This does not say they shall not go ahead and carry out the law as they have. These employees of the Department are required to carry out the law and the orders of the Secretary of Agriculture, who heretofore has adopted price supports. All this says is "You are not going to get paid."

I respectfully submit that when a man is carrying out the dictates of the law, as he is required to do, you should not deny him his salary. That is what the amendment would do.

I trust the amendment will be defeated.

Mr. MICHEL. Mr. Chairman, I move to strike out the last word.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Illinois.

Mr. FINDLEY. Mr. Chairman, I would like to say first of all that the language of this bill is such that it would require that the Secretary of Agriculture himself could not be paid if he was a party to a contract or agreement which provided for price supports for cotton in excess of 30 cents. So, it seems to me that the point raised by the chairman of the subcommittee just now is completely irrelevant. The important thing is that we get cotton back on the right track. It has clearly been on the wrong track for the past 2 years. On the very day that the Committee on Agriculture was to take final action on a cotton bill earlier this year, the Secretary of Agriculture announced a renewal of the unrealistic level of 32.5 cents a pound. This was in direct contradiction of the legislative intent of the 1950 act. Secretary Freeman's action has gotten cotton into deeper trouble. This amendment is one way of getting the program back on the right track.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. FINDLEY].

The question was taken; and on a division (demanded by Mr. FINDLEY) there were—ayes 105, noes 131.

So the amendment was rejected.

The Clerk concluded the reading of the bill.

Mr. WHITTEN. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. KEOGH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 6754) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, and for other purposes, had directed him to report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. WHITTEN. Mr. Speaker, I move the previous question on the bill and the amendment thereto to final passage.

The previous question was ordered.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. MICHEL. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. MICHEL. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. MICHEL moves to recommit the bill to the Committee on Appropriations.

The SPEAKER. Without objection, the previous question is ordered.

The question is on the motion to recommit.

Mr. MICHEL. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were refused.

The SPEAKER. The question is on passage of the bill.

Mr. BECKER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 288, nays 79, not voting 65, as follows:

[Roll No. 72]

YEAS—288

Abbott	Evins	Libonati
Abele	Fallon	Lloyd
Abernethy	Farbstein	McCulloch
Adair	Feighan	McDowell
Addabbo	Finnegan	McFall
Albert	Fisher	McIntire
Anderson	Flood	McMillan
Andrews	Flynt	Macdonald
Arends	Fountain	Madden
Ashley	Fraser	Mahon
Ashmore	Frelinghuysen	Marsh
Auchincloss	Friedel	Martin, Nebr.
Avery	Fulton, Tenn.	Mathias
Ayres	Fuqua	Matsunaga
Baker	Gallagher	May
Baldwin	Garmatz	Meador
Barrett	Gary	Miller, Calif.
Barry	Gathings	Mills
Bass	Gialmo	Minish
Bates	Gilbert	Monagan
Beckworth	Glenn	Moore
Belcher	Gonzalez	Moorhead
Bennett, Fla.	Goodling	Morgan
Bennett, Mich.	Grabowski	Morse
Berry	Grant	Morton
Betts	Gray	Moss
Blatnik	Green, Oreg.	Multer
Boggs	Green, Pa.	Murphy, N.Y.
Boland	Griffiths	Murray
Bolton	Gross	Natcher
Oliver P.	Hagan, Ga.	Nedzi
Bonner	Hanna	Nelsen
Bow	Hansen	Nix
Brademas	Harding	Nygaard
Bray	Hardy	O'Brien, Ill.
Bromwell	Harris	O'Hara, Ill.
Brooks	Harrison	O'Hara, Mich.
Brotzman	Harsha	O'Konski
Brown, Calif.	Harvey, Ind.	Olsen, Mont.
Brown, Ohio	Hays	Olson, Minn.
Broyhill, N.C.	Healey	O'Neill
Broyhill, Va.	Hechler	Ostertag
Burke	Hemphill	Passman
Burkhalter	Henderson	Patman
Burleson	Hoever	Patten
Burton	Holifield	Pepper
Byrne, Pa.	Holland	Perkins
Cameron	Horan	Philbin
Cannon	Horton	Pilcher
Carey	Huddleston	Pirnie
Casey	Hull	Poage
Cederberg	Ichord	Poff
Celler	Jarman	Price
Chamberlain	Jennings	Pucinski
Chelf	Jensen	Purcell
Chenoweth	Joelson	Quile
Clark	Johnson, Calif.	Quillen
Cleveland	Johnson, Wis.	Randall
Cohelan	Jonas	Reid, Ill.
Conte	Jones, Ala.	Reid, N.Y.
Cooley	Jones, Mo.	Reifel
Corman	Karsten	Reuss
Cunningham	Karth	Rich
Daddario	Kastenmeier	Riehlman
Dague	Keogh	Roberts, Tex.
Daniels	Kilgore	Rodino
Davis, Ga.	King, Calif.	Rogers, Colo.
Davis, Tenn.	Kluczynski	Rogers, Tex.
Delaney	Knox	Rooney
Denton	Kornegay	Roosevelt
Diggs	Kunkel	Rosenthal
Dingell	Kyl	Rostenkowski
Dole	Laird	Roudebush
Donohue	Landrum	Roush
Dorn	Langen	Ryan, N.Y.
Dowdy	Lankford	St. George
Downing	Latta	St. Onge
Duncan	Leggett	Schadeberg
Ellsworth	Lennon	Schwengel
Everett	Lesinski	Secrest

Selden
Shipley
Short
Shriver
Sickles
Sikes
Siler
Sisk
Slack
Smith, Iowa
Smith, Va.
Springer
Staebler
Stafford
Steed
Stephens
Stratton

Stubblefield
Sullivan
Talcott
Taylor
Teague, Tex.
Thomas
Thompson, Tex.
Thomson, Wis.
Thornberry
Toll
Tuck
Tupper
Tuten
Ullman
Vanik
Vinson
Waggonner

Watson
Watts
Weltner
Wharton
White
Whitener
Whitten
Wickersham
Williams
Willis
Wilson, Ind.
Winstead
Wright
Young
Zablocki

NAYS—79

Alger
Ashbrook
Becker
Beermann
Bolton,
Francis P.
Broomfield
Bruce
Byrnes, Wis.
Cahill
Clancy
Collier
Corbett
Cramer
Curtin
Curtis
Derounian
Derwinski
Devine
Dulski
Fascell
Findley
Ford
Gavin
Gibbons
Goodell
Griffin

Grover
Gurney
Haley
Halpern
Herlong
Hoffman
Hosmer
Hutchinson
Johansen
Keith
King, N.Y.
Lipscomb
McClory
McDade
Martin, Calif.
Martin, Mass.
Michel
Milliken
Minshall
Mosher
Norblad
O'Brien, N.Y.
Osmer
Pelly
Pike
Pillion
Pool

Rhodes, Ariz.
Robison
Rogers, Fla.
Rumsfeld
Saylor
Schenck
Schneebell
Schweiker
Senner
Sibal
Smith, Calif.
Snyder
Stinson
Taft
Teague, Calif.
Tollefson
Utt
Van Pelt
Wallhauser
Weaver
Whalley
Widnall
Wilson, Bob
Wylder
Wyman
Younger

NOT VOTING—65

Aspinall
Baring
Battin
Bell
Bolling
Brock
Buckley
Clausen
Colmer
Dawson
Dent
Dwyer
Edmondson
Edwards
Elliott
Fino
Fogarty
Foreman
Forrester
Fulton, Pa.
Gill
Gubser

Hagen, Calif.
Hall
Halleck
Harvey, Mich.
Hawkins
Hébert
Kee
Kelly
Kilburn
Kirwan
Lindsay
Long, La.
Long, Md.
McLoskey
MacGregor
Mailliard
Matthews
Miller, N.Y.
Montoya
Morris
Morrison
Murphy, Ill.

Powell
Rains
Rhodes, Pa.
Rivers, Alaska
Rivers, S.C.
Roberts, Ala.
Roybal
Ryan, Mich.
St Germain
Scott
Shelley
Sheppard
Skubitz
Staggers
Thompson, La.
Thompson, N.J.
Trimble
Udall
Van Deerlin
Westland
Wilson,
Charles H.

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. MacGregor for, with Mr. Foreman against.

Mr. Skubitz for, with Mr. Kilburn against.

Mr. Elliott for, with Mr. Fino against.

Mr. Hall for, with Mr. McLoskey against.

Mr. Miller of New York for, with Mr. Brock against.

Mr. Kirwan for, with Mr. Fulton of Pennsylvania against.

Mr. Sheppard for, with Mrs. Dwyer against.

Mr. Hébert for, with Mr. Lindsay against.

Mr. Aspinall for, with Mrs. Kelly against.

Until further notice:

Mr. Gill with Mr. Battin.

Mr. Morrison with Mr. Gubser.

Mr. Thompson of Louisiana with Mr. Clausen.

Mr. Trimble with Mr. Westland.

Mr. Buckley with Mr. Mailliard.

Mr. Colmer with Mr. Bell.

Mr. Dent with Mr. Harvey of Michigan.

Mr. Fogarty with Mrs. Kee.

Mr. Rains with Mr. Montoya.

Mr. Rivers of Alaska with Mr. Dawson.

Mr. Roybal with Mr. Morris.

Mr. Murphy of Illinois with Mr. Powell.
Mr. Rivers of South Carolina with Mr. Hawkins.

Mr. Rhodes of Pennsylvania with Mr. Long of Louisiana.

Mr. Ryan of Michigan with Mr. Thompson of New Jersey.

Mr. Udall with Mr. Charles H. Wilson.

Mr. Staggers with Mr. Van Deerlin.

Mr. Matthews with Mr. Hagen of California.

Mr. Edmondson with Mr. Forrester.

Mr. Shelley with Mr. Scott.

Mr. St Germain with Mr. Baring.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND
REMARKS

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may have 3 legislative days in which to extend their remarks in the RECORD on the bill just passed.

The SPEAKER pro tempore (Mr. ALBERT). Is there objection to the request of the gentleman from Mississippi? There was no objection.

THREAT OF VIOLENCE HANGS
OVER THE COUNTRY'S RACE
RELATIONS

(Mr. SELDEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SELDEN. Mr. Speaker, I regret that objection was made to my unanimous consent request that I be permitted to address the House for 15 minutes this afternoon, as I wanted to speak at even greater length on a problem that should be of great concern to all of us—the double standard being applied in connection with this country's racial problem.

Mr. Speaker, the threat of violence hangs over the country's race relations—from Washington to Los Angeles and from Florida to Chicago. Those who have attempted to place all blame for the Nation's racial problems on the people of the South now find themselves trying to account for mob-inspired race chaos in their own communities.

To be sure, it was not difficult for purported political and sociological experts to find explanations and to place blame when Birmingham, Ala., and Jackson, Miss., were the only centers for the activity of race agitators. The task has become more difficult, however, since Negro mobs in Philadelphia in recent weeks have defied law-enforcement authorities, and Los Angeles, advertised as a model city for equal treatment of the races, has been pinpointed for mass Negro demonstrations. The truth of the matter is that if the political and sociological experts on race relations were honest in their assessment of the current national crisis, they would necessarily lay a large share of the blame at their own feet.

The country is now beginning to pay for the gross error of seeking answers to problems in human race relations through legislation and court fiat. His-

tory and national experience should have warned that legislation and court order is no answer to the racial problem. Yet, spurred on by political opportunists and social theorists, the Nation embarked on a course which has now resulted in a racial crisis of the first magnitude.

Incredibly, the proponents of the legislate-and-regulate school of race relations are now seeking to compound their original mistake. In response to growing racial tensions, we are now being urged to enact more extensive legislation governing national race relations. And our courts are weekly issuing orders, directives, and regulations regarding an ever-increasing area of race problems.

Evidence mounts daily, however, that the Nation's race problems cannot be solved by court order and legislative fiat. The time has therefore come for all Americans—white and Negro alike—to take a fresh and realistic view of the status of our country's race relations.

It should be made clear that the American Negro cannot hope to improve permanently his status or insure a better life for his children by following the leadership of those who urge mob action or violence. What has been described as racism-in-reverse—the preaching of race hatred of whites by Negroes—is certainly one of the underlying elements in the race demonstrations the country has witnessed in recent weeks, from Birmingham to Philadelphia.

NAACP and CORE leaders, by encouraging Negro mob action against community authority, fan the flames of this race hatred. It is but a short step from the violent demonstrations which took place in Nashville and Philadelphia, to the racist doctrine of the Black Muslim leader, Malcolm X, who is quoted as telling a Washington Negro audience:

We need some Mau Mau and Poqo action here.

The inevitable result of Negro resort to force and violence can only be the setback of America's 16 million Negro citizens in their quest for improved status. For the spread of racial unrest—from city to city and area to area—represents a threat to the security of the Nation in an hour when hostile international forces are poised to take advantage of our every weakness. The present administration invites national tragedy when it moves slowly to recognize this threat, and when its only response to massive civil insurrection on the part of the Negro is to request additional civil rights legislation.

This administration has not hesitated to use troops in Mississippi, and to threaten the use of troops in my native State of Alabama. Yet, to date the actions and statements of the Kennedy administration have encouraged rather than discouraged Negro extremists who seek to disrupt and paralyze national and community life.

A realistic view of race relations in America today finds that while there is growing demand for so-called civil rights among Negro leaders, these same leaders do little to shoulder the weight of civil responsibilities. Those few Negroes who have come forward to point out that their race must assume a greater re-

88TH CONGRESS
1ST SESSION

H. R. 6754

IN THE SENATE OF THE UNITED STATES

JUNE 10, 1963

Read twice and referred to the Committee on Appropriations

AN ACT

Making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the Depart-
5 ment of Agriculture and related agencies for the fiscal
6 year ending June 30, 1964; namely:

1 DEPARTMENT OF AGRICULTURE

2 TITLE I—GENERAL ACTIVITIES

3 AGRICULTURAL RESEARCH SERVICE

4 SALARIES AND EXPENSES

5 For expenses necessary to perform agricultural research
6 relating to production, utilization, marketing, nutrition and
7 consumer use, to control and eradicate pests and plant and
8 animal diseases, and to perform related inspection, quaran-
9 tine and regulatory work, and meat inspection: *Provided*,
10 That appropriations hereunder shall be available for field em-
11 ployment pursuant to the second sentence of section 706 (a)
12 of the Organic Act of 1944 (5 U.S.C. 574), and not to
13 exceed \$75,000 shall be available for employment under
14 section 15 of the Act of August 2, 1946 (5 U.S.C. 55a) :
15 *Provided further*, That appropriations hereunder shall
16 be available for the operation and maintenance of air-
17 craft and the purchase of not to exceed two for
18 replacement only: *Provided further*, That appropria-
19 tions hereunder shall be available pursuant to title 5,
20 United States Code, section 565a, for the construction, alter-
21 ation, and repair of buildings and improvements, but unless
22 otherwise provided, the cost of constructing any one building
23 (except headhouses connecting greenhouses) shall not ex-
24 ceed \$20,000, except for five buildings to be constructed or
25 improved at a cost not to exceed \$40,000 each, and the cost

1 of altering any one building during the fiscal year shall not
2 exceed \$7,500 or 7.5 per centum of the cost of the building,
3 whichever is greater: *Provided further*, That the limitations
4 on alterations contained in this Act shall not apply to a total
5 of \$100,000 for facilities at Beltsville, Maryland:

6 Research: For research and demonstrations on the pro-
7 duction and utilization of agricultural products; agricultural
8 marketing and distribution, not otherwise provided for, in-
9 cluding related cost and efficiency evaluations; home eco-
10 nomics or nutrition and consumer use of agricultural and
11 associated products; and related research and services; and
12 for acquisition of land by donation, exchange, or purchase
13 at a nominal cost not to exceed \$100, \$94,045,000; plus
14 \$400,000, to remain available until expended, for con-
15 struction, alteration, and equipping of facilities; in all
16 \$94,445,000: *Provided*, That, in addition, not more than
17 \$5,000,000 may be transferred from the Commodity Credit
18 Corporation to this appropriation, in accordance with the Act
19 of June 29, 1948 (15 U.S.C. 714b), for cost of production and
20 other research designed to decrease the present or future invest-
21 ment of the Commodity Credit Corporation in agricultural com-
22 modities, such research to be conducted through contracts and
23 grants as authorized by the Act of August 14, 1946, as
24 amended: *Provided further*, That hereafter the Administrator
25 of the Agricultural Research Service may enter into agree-

1 ments with and receive funds from any State, other political
2 subdivision, organization, or individual for the purpose of
3 conducting cooperative research projects with such coopera-
4 tors: *Provided further*, That the limitations contained herein
5 shall not apply to replacement of buildings needed to carry
6 out the Act of April 24, 1948 (21 U.S.C. 113 (a)) :
7 *Provided further*, That the Secretary of Agriculture is au-
8 thorized to acquire approximately two-tenths of an acre of
9 land at Pasadena, California;

10 Plant and animal disease and pest control: For opera-
11 tions and measures, not otherwise provided for, to control
12 and eradicate pests and plant and animal diseases and for
13 carrying out assigned inspection, quarantine, and regulatory
14 activities, as authorized by law, including expenses pursuant
15 to the Act of February 28, 1947, as amended (21 U.S.C.
16 114b-c) , \$59,505,000, of which \$1,500,000 shall be appor-
17 tioned for use pursuant to section 3679 of the Revised
18 Statutes, as amended, for the control of outbreaks of insects
19 and plant diseases to the extent necessary to meet emer-
20 gency conditions: *Provided*, That no funds shall be used
21 to formulate or administer a brucellosis eradication program
22 for the current fiscal year that does not require minimum
23 matching by any State of at least 40 per centum: *Provided*
24 *further*, That, in addition, in emergencies which threaten the
25 livestock or poultry industries of the country, the Secretary

1 may transfer from other appropriations or funds available
2 to the agencies or corporations of the Department such sums
3 as he may deem necessary, to be available only in such emer-
4 gencies for the arrest and eradication of foot-and-mouth
5 disease, rinderpest, contagious pleuropneumonia, or other
6 contagious or infectious diseases of animals, or European
7 fowl pest and similar diseases in poultry, and for expenses in
8 accordance with the Act of February 28, 1947, as amended,
9 and any unexpended balances of funds transferred under
10 this head in the next preceding fiscal year shall be merged
11 with such transferred amounts;

12 Meat inspection: For carrying out the provisions of laws
13 relating to Federal inspection of meat, and meat-food prod-
14 ucts, and the applicable provisions of the laws relating to
15 process or renovated butter, \$27,638,000.

16 Special fund: To provide for additional labor to be
17 employed under contracts and cooperative agreements to
18 strengthen the work at research installations in the field, not
19 more than \$1,000,000 of the amount appropriated under this
20 head for the previous fiscal year may be used by the Admin-
21 istrator of the Agricultural Research Service in departmental
22 research programs in the current fiscal year, the amount so
23 used to be transferred to and merged with the appropriation
24 otherwise available under "Salaries and expenses, Research".

1 COOPERATIVE STATE EXPERIMENT STATION SERVICE
2 PAYMENTS AND EXPENSES

3 For payments to agricultural experiment stations, for
4 grants for cooperative forestry research, and for other ex-
5 penses, including \$38,113,000 to carry into effect the pro-
6 visions of the Hatch Act, approved March 2, 1887, as
7 amended by the Act approved August 11, 1955 (7 U.S.C.
8 361a-361i), including administration by the United States
9 Department of Agriculture; \$500,000 for payments author-
10 ized under section 204 (b) of the Agricultural Marketing
11 Act of 1946 (7 U.S.C. 1623) ; \$1,000,000 for grants for
12 cooperative forestry research under the Act approved Octo-
13 ber 10, 1962 (76 Stat. 806-807) ; \$310,000 for penalty
14 mail costs of agricultural experiment stations under section 6
15 of the Hatch Act of 1887, as amended; and \$460,000 for
16 necessary expenses of the Cooperative State Experiment Sta-
17 tion Service, including administration of payments to State
18 agricultural experiment stations, funds for employment pursu-
19 ant to the second sentence of section 706 (a) of the Organic Act
20 of 1944 (5 U.S.C. 574) , and not to exceed \$25,000 for em-
21 ployment under section 15 of the Act of August 2, 1946 (5
22 U.S.C. 55a) ; in all, \$40,383,000.

EXTENSION SERVICE

COOPERATIVE EXTENSION WORK, PAYMENTS AND EXPENSES

Payments to States and Puerto Rico: For payments for cooperative agricultural extension work under the Smith-Lever Act, as amended by the Act of June 26, 1953 (7 U.S.C. 341-348), the Act of August 11, 1955 (7 U.S.C. 347a) and the Act of October 5, 1962 (76 Stat. 745), \$63,020,000; and payments and contracts for such work under section 204 (b)-205 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623-1624), \$1,570,000; in all, \$64,590,000: *Provided*, That funds hereby appropriated pursuant to section 3 (c) of the Act of June 26, 1953, shall not be paid to any State or Puerto Rico prior to availability of an equal sum from non-Federal sources for expenditure during the current fiscal year.

Retirement and Employees' Compensation costs for extension agents: For cost of employer's share of Federal retirement and for reimbursement for benefits paid from the Employees' Compensation Fund for cooperative extension employees, \$7,110,000.

Penalty mail: For costs of penalty mail for cooperative extension agents and State extension directors, \$3,113,000.

1 Federal Extension Service: For administration of the
2 Smith-Lever Act, as amended by the Act of June 26, 1953
3 (7 U.S.C. 341-348), the Act of August 11, 1955 (7
4 U.S.C. 347a) and the Act of October 5, 1962 (76 Stat.
5 745), and extension aspects of the Agricultural Marketing
6 Act of 1946 (7 U.S.C. 1621-1627), and to coordinate and
7 provide program leadership for the extension work of the
8 Department and the several States and insular possessions,
9 \$2,500,000.

10 FARMER COOPERATIVE SERVICE

11 SALARIES AND EXPENSES

12 For necessary expenses to carry out the Act of July 2,
13 1926 (7 U.S.C. 451-457), and for conducting research
14 relating to the economic and marketing aspects of farmer
15 cooperatives, as authorized by the Agricultural Marketing
16 Act of 1946 (7 U.S.C. 1621-1627), \$1,195,000.

17 SOIL CONSERVATION SERVICE

18 CONSERVATION OPERATIONS

19 For necessary expenses for carrying out the provisions
20 of the Act of April 27, 1935 (16 U.S.C. 590a-590f),
21 including preparation of conservation plans and establish-
22 ment of measures to conserve soil and water (including
23 farm irrigation and land drainage and such special measures
24 as may be necessary to prevent floods and the siltation of
25 reservoirs) ; operation of conservation nurseries; classifica-

tion and mapping of soils; dissemination of information;
purchase and erection or alteration of permanent buildings;
and operation and maintenance of aircraft, \$97,480,000:
Provided, That the cost of any permanent building purchased, erected, or as improved, exclusive of the cost of constructing a water supply or sanitary system and connecting the same to any such building and with the exception of buildings acquired in conjunction with land being purchased for other purposes, shall not exceed \$2,500, except for one building to be constructed at a cost not to exceed \$25,000 and eight buildings to be constructed or improved at a cost not to exceed \$15,000 per building and except that alterations or improvements to other existing permanent buildings costing \$2,500 or more may be made in any fiscal year in an amount not to exceed \$500 per building: *Provided further*, That no part of this appropriation shall be available for the construction of any such building on land not owned by the Government: *Provided further*, That no part of this appropriation may be expended for soil and water conservation operations under the Act of April 27, 1935 (16 U.S.C. 590a-590f), in demonstration projects: *Provided further*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574),

1 and not to exceed \$5,000 shall be available for employment
2 under section 15 of the Act of August 2, 1946 (5
3 U.S.C. 55a) : *Provided further*, That qualified local engi-
4 neers may be temporarily employed at per diem rates to
5 perform the technical planning work of the service.

6 WATERSHED PROTECTION

7 For expenses necessary to conduct surveys, investiga-
8 tions, and research and to carry out preventive measures,
9 including, but not limited to, engineering operations, methods
10 of cultivation, the growing of vegetation, and changes in use
11 of land, in accordance with the Watershed Protection and
12 Flood Prevention Act, approved August 4, 1954, as
13 amended (16 U.S.C. 1001-1008), and the provisions of the
14 Act of April 27, 1935 (16 U.S.C. 590a-f), to remain
15 available until expended, \$63,222,000, with which shall
16 be merged the unexpended balances of funds heretofore ap-
17 propriated or transferred to the Department for watershed pro-
18 tection purposes: *Provided*, That this appropriation shall be
19 available for field employment pursuant to the second sentence
20 of section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574),
21 and not to exceed \$100,000 shall be available for employment
22 under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a) :

1 *Provided further*, That not to exceed \$3,000,000, together
2 with the unobligated balance of funds previously appropriated
3 for loans and related expense, shall be available for such
4 purposes.

5 FLOOD PREVENTION

6 For expenses necessary, in accordance with the Flood
7 Control Act, approved June 22, 1936 (33 U.S.C. 701-709,
8 16 U.S.C. 1006a), as amended and supplemented, and in
9 accordance with the provisions of laws relating to the activities
10 of the Department, to perform works of improvement, includ-
11 ing funds for field employment pursuant to the second sen-
12 tence of section 706 (a) of the Organic Act of 1944 (5 U.S.C.
13 574), and not to exceed \$100,000 for employment under sec-
14 tion 15 of the Act of August 2, 1946 (5 U.S.C. 55a), to remain
15 available until expended; \$25,465,000, with which shall
16 be merged the unexpended balances of funds heretofore
17 appropriated or transferred to the Department for flood
18 prevention purposes: *Provided*, That no part of such funds
19 shall be used for the purchase of lands in the Yazoo and
20 Little Tallahatchie watersheds without specific approval of
21 the county board of supervisors of the county in which such
22 lands are situated: *Provided further*, That not to exceed

1 \$1,000,000, together with the unobligated balance of funds
2 previously appropriated for loans and related expense, shall
3 be available for such purposes.

4 GREAT PLAINS CONSERVATION PROGRAM

5 For necessary expenses to carry into effect a program
6 of conservation in the Great Plains area, pursuant to section
7 16(b) of the Soil Conservation and Domestic Allotment
8 Act, as added by the Act of August 7, 1956 (16 U.S.C.
9 590p), \$12,994,000, to remain available until expended.

10 RESOURCE CONSERVATION AND DEVELOPMENT

11 For necessary expenses in planning and carrying out
12 projects for resource conservation and development, and for
13 sound land use, pursuant to the provisions of section 32 (e)
14 of title III of the Bankhead-Jones Farm Tenant Act, as
15 amended (7 U.S.C. 1011; 76 Stat. 607) , and the provisions
16 of the Act of April 27, 1935 (16 U.S.C. 590a-f) , \$1,-
17 200,000, to remain available until expended: *Provided*,
18 That not to exceed \$500,000 of such amount shall be avail-
19 able for loans and related expenses under subtitle A of the
20 Consolidated Farmers Home Administration Act of 1961.
21 as amended: *Provided further*, That this appropriation shall be
22 available for field employment pursuant to the second sentence
23 of section 706 (a) of the Organic Act of 1944 (5 U.S.C.
24 574) , and not to exceed \$50,000 shall be available for employ-

1 ment under section 15 of the Act of August 2, 1946 (5 U.S.C.
2 55a).

3 ECONOMIC RESEARCH SERVICE

4 SALARIES AND EXPENSES

5 For necessary expenses of the Economic Research
6 Service in conducting economic research and service relating
7 to agricultural production, marketing, and distribution, as
8 authorized by the Agricultural Marketing Act of 1946 (7
9 U.S.C. 1621-1627), and other laws, including economics of
10 marketing; analyses relating to farm prices, income and
11 population, and demand for farm products, use of resources
12 in agriculture, adjustments, costs and returns in farming, and
13 farm finance; and for analyses of supply and demand for
14 farm products in foreign countries and their effect on
15 prospects for United States exports, progress in economic
16 development and its relation to sales of farm products,
17 assembly and analysis of agricultural trade statistics and
18 analysis of international financial and monetary programs
19 and policies as they affect the competitive position of
20 United States farm products; \$9,832,000: *Provided*,
21 That not less than \$350,000 of the funds contained in
22 this appropriation shall be available to continue to gather
23 statistics and conduct a special study on the price spread
24 between the farmer and consumer: *Provided further*, That

1 this appropriation shall be available for employment pursuant
2 to the second sentence of section 706 (a) of the Organic Act of
3 1944 (5 U.S.C. 574), and not to exceed \$75,000 shall be
4 available for employment under section 15 of the Act of August
5 2, 1946 (5 U.S.C. 55a) : *Provided further*, That not less than
6 \$145,000 of the funds contained in this appropriation shall be
7 available for analysis of statistics and related facts on foreign
8 production and full and complete information on methods used
9 by other countries to move farm commodities in world trade on
10 a competitive basis.

11 STATISTICAL REPORTING SERVICE

12 SALARIES AND EXPENSES

13 For necessary expenses of the Statistical Reporting
14 Service in conducting statistical reporting and service work,
15 including crop and livestock estimates, statistical coordina-
16 tion and improvements, and marketing surveys, as author-
17 ized by the Agricultural Marketing Act of 1946 (7 U.S.C.
18 1621-1627) and other laws, \$11,079,000: *Provided*, That
19 no part of the funds herein appropriated shall be available
20 for any expense incident to publishing estimates of apple
21 production for other than the commercial crop.

1 AGRICULTURAL MARKETING SERVICE

2 MARKETING SERVICES

3 For expenses necessary to carry on services related to
4 agricultural marketing and distribution as authorized by the
5 Agricultural Marketing Act of 1946 (7 U.S.C. 1621-
6 1627) and other laws, including the administration of mar-
7 keting regulatory acts connected therewith and for adminis-
8 tration and coordination of payments to States; and this appro-
9 priation shall be available for field employment pursuant to sec-
10 tion 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), and
11 not to exceed \$25,000 shall be available for employment at
12 rates not to exceed \$75 per diem under section 15 of the Act
13 of August 2 1946 (5 U.S.C. 55a), in carrying out sec-
14 tion 201 (a) to 201 (d), inclusive, of title II of the Ag-
15 ricultural Adjustment Act of 1938 (7 U.S.C. 1291) and
16 section 203 (j) of the Agricultural Marketing Act of 1946;
17 \$37,061,000.

18 PAYMENTS TO STATES AND POSSESSIONS

19 For payments to departments of agriculture, bureaus
20 and departments of markets, and similar agencies for market-

1 ing activities under section 204 (b) of the Agricultural Mar-
 2 keting Act of 1946 (7 U.S.C. 1623 (b)), \$1,425,000.

3 SPECIAL MILK PROGRAM

4 For necessary expenses to carry out the Special Milk
 5 Program, as authorized by the Act of August 8, 1961 (7
 6 U.S.C. 1446, note) , \$100,000,000.

7 SCHOOL LUNCH PROGRAM

8 For necessary expenses to carry out the provisions of
 9 the National School Lunch Act (42 U.S.C. 1751-1760) ,
 10 \$137,000,000: *Provided*, That no part of this appropria-
 11 tion shall be used for nonfood assistance under section 5
 12 of said Act: *Provided further*, That \$45,000,000 shall be
 13 transferred to this appropriation from funds available under
 14 section 32 of the Act of August 24, 1935, for purchase and
 15 distribution of agricultural commodities and other foods pur-
 16 suant to section 6 of the National School Lunch Act.

17 REMOVAL OF SURPLUS AGRICULTURAL COMMODITIES

18 (SECTION 32)

19 No funds available under section 32 of the Act of August
 20 24, 1935 (7 U.S.C. 612c) shall be used for any purpose
 21 other than commodity program expenses as authorized
 22 therein, and other related operating expenses, except for (1)
 23 transfers to the Department of the Interior as authorized by
 24 the Fish and Wildlife Act of August 8, 1956, (2) trans-
 25 fers otherwise provided in this Act, (3) not more than

1 \$4,754,000 for formulation and administration of marketing
2 agreements and orders pursuant to the Agricultural Market-
3 ing Agreement Act of 1937, as amended, and the Agri-
4 cultural Act of 1961, (4) not more than \$40,000,000 for
5 expenses for the Pilot Food Stamp Program, and (5) not
6 more than \$25,000,000 for transfer to the Commodity
7 Credit Corporation to be used to increase domestic consump-
8 tion of any farm commodity or farm commodities determined
9 by the Secretary of Agriculture to be in surplus supply and
10 hereafter such sums as may be approved by the Congress
11 shall be available for such purpose.

12 FOREIGN AGRICULTURAL SERVICE

13 SALARIES AND EXPENSES

14 For necessary expenses for the Foreign Agricultural
15 Service, including carrying out title VI of the Agricultural
16 Act of 1954 (7 U.S.C. 1761-1768), market development
17 activities abroad, and for enabling the Secretary to coordinate
18 and integrate activities of the Department in connection with
19 foreign agricultural work, including not to exceed \$35,000
20 for representation allowances and for expenses pursuant to
21 section 8 of the Act approved August 3, 1956 (7 U.S.C.
22 1766), \$18,505,000: *Provided*, That not less than \$255,-
23 000 of the funds contained in this appropriation shall be
24 available to obtain statistics and related facts on foreign

1 production and full and complete information on methods
 2 used by other countries to move farm commodities in world
 3 trade on a competitive basis: *Provided further*, That, in
 4 addition, not to exceed \$3,117,000 of the funds appropriated
 5 by section 32 of the Act of August 24, 1935, as amended
 6 (7 U.S.C. 612c), shall be merged with this appropriation
 7 and shall be available for all expenses of the Foreign Agri-
 8 cultural Service.

9 COMMODITY EXCHANGE AUTHORITY

10 SALARIES AND EXPENSES

11 For necessary expenses to carry into effect the provi-
 12 sions of the Commodity Exchange Act, as amended (7
 13 U.S.C. 1-17a), \$1,093,000.

14 AGRICULTURAL STABILIZATION AND CONSERVATION

15 SERVICE

16 EXPENSES, AGRICULTURAL STABILIZATION AND

17 CONSERVATION SERVICE

18 For necessary administrative expenses of the Agricul-
 19 tural Stabilization and Conservation Service, including ex-
 20 penses to formulate and carry out programs authorized by
 21 title III of the Agricultural Adjustment Act of 1938, as
 22 amended (7 U.S.C. 1301-1393); Sugar Act of 1948, as
 23 amended (7 U.S.C. 1101-1161); sections 7 to 15, 16 (a),
 24 16 (d), 16 (e), 16 (f), and 17 of the Soil Conservation and
 25 Domestic Allotment Act, as amended (16 U.S.C. 590g-

1 590 (o) , 590p (a) , and 590q; 76 Stat. 606-607) as added by
2 section 132 of the Act of August 8, 1961; subtitles B and
3 C of the Soil Bank Act (7 U.S.C. 1831-1837, 1802-1814,
4 and 1816) ; and laws pertaining to the Commodity Credit
5 Corporation, \$105,737,000: *Provided*, That, in addition,
6 not to exceed \$94,885,000 may be transferred to and merged
7 with this appropriation from the Commodity Credit Cor-
8 poration fund (including not to exceed \$40,051,000 under
9 the limitation on Commodity Credit Corporation administra-
10 tive expenses) : *Provided further*, That other funds made
11 available to Agricultural Stabilization and Conservation
12 Service for authorized activities may be advanced to and
13 merged with this appropriation.

14 SUGAR ACT PROGRAM

15 For necessary expenses to carry into effect the provi-
16 sions of the Sugar Act of 1948 (7 U.S.C. 1101-1161),
17 \$78,000,000, to remain available until June 30 of the next
18 succeeding fiscal year.

19 AGRICULTURAL CONSERVATION PROGRAM

20 For necessary expenses to carry into effect the program
21 authorized in sections 7 to 15, 16 (a) , and 17 of the Soil
22 Conservation and Domestic Allotment Act, approved Feb-
23 ruary 29, 1936, as amended (16 U.S.C. 590g-590 (o) ,
24 590p (a) , and 590q) , including not to exceed \$6,000 for
25 the preparation and display of exhibits, including such dis-

1 plays at State, interstate, and international fairs within the
2 United States, \$215,000,000, to remain available until De-
3 cember 31 of the next succeeding fiscal year for compliance
4 with the programs of soil-building and soil- and water-
5 conserving practices authorized under this head in the
6 Department of Agriculture and Related Agencies Appro-
7 priation Acts, 1962 and 1963, carried out during the period
8 July 1, 1961, to December 31, 1963, inclusive: *Provided*,
9 That none of the funds herein appropriated shall be used to
10 pay the salaries or expenses of any regional information
11 employees or any State information employees, but this
12 shall not preclude the answering of inquiries or supplying of
13 information at the county level to individual farmers:
14 *Provided further*, That no portion of the funds for the
15 1964 program may be utilized to provide financial or tech-
16 nical assistance for drainage on wetlands now designated as
17 Wetland Types 3 (III), 4 (IV), and 5 (V) in United
18 States Department of the Interior, Fish and Wildlife Service
19 Circular 39, Wetlands of the United States, 1956: *Pro-*
20 *vided further*, That necessary amounts shall be available for
21 administrative expenses in connection with the formulation
22 and administration of the 1964 program of soil-building and
23 soil- and water-conserving practices, including related wildlife
24 conserving practices, under the Act of February 29, 1936, as
25 amended (amounting to \$250,000,000, including adminis-

1 tration, except that no participant shall receive more than
2 \$2,500, except where the participants from two or more
3 farms or ranches join to carry out approved practices de-
4 signed to conserve or improve the agricultural resources of
5 the community) : *Provided further*, That not to exceed 5 per
6 centum of the allocation for the current year's agricultural
7 conservation program for any county may, on the recom-
8 mendation of such county committee and approval of the
9 State committee, be withheld and allotted to the Soil Con-
10 servation Service for services of its technicians in formulating
11 and carrying out the agricultural conservation program in
12 the participating counties, and shall not be utilized by the
13 Soil Conservation Service for any purpose other than tech-
14 nical and other assistance in such counties, and in addition,
15 on the recommendation of such county committee and ap-
16 proval of the State committee, not to exceed 1 per centum
17 may be made available to any other Federal, State, or local
18 public agency for the same purpose and under the same con-
19 ditions: *Provided further*, That for the current year's pro-
20 gram \$2,500,000 shall be available for technical assistance
21 in formulating and carrying out agricultural conservation
22 practices: *Provided further*, That such amounts shall be
23 available for the purchase of seeds, fertilizers, lime, trees, or
24 any other farming material, or any soil-terracing services,
25 and making grants thereof to agricultural producers to aid

1 them in carrying out farming practices approved by the Sec-
2 retary under programs provided for herein: *Provided further*,
3 That no part of any funds available to the Department, or
4 any bureau, office, corporation, or other agency constituting
5 a part of such Department, shall be used in the current fiscal
6 year for the payment of salary or travel expenses of any
7 person who has been convicted of violating the Act entitled
8 “An Act to prevent pernicious political activities”, approved
9 August 2, 1939, as amended, or who has been found in
10 accordance with the provisions of title 18, United States
11 Code, section 1913, to have violated or attempted to violate
12 such section which prohibits the use of Federal appropria-
13 tions for the payment of personal services or other expenses
14 designed to influence in any manner a Member of Congress
15 to favor or oppose any legislation or appropriation by Con-
16 gress except upon request of any Member or through the
17 proper official channels.

18 CONSERVATION RESERVE PROGRAM

19 For necessary expenses to carry out a conservation re-
20 serve program as authorized by subtitles B and C of the
21 Soil Bank Act (7 U.S.C. 1831-1837, 1802-1814, and
22 1816), and to carry out liquidation activities for the acreage
23 reserve program, to remain available until expended,
24 \$294,000,000, with which may be merged the unexpended

1 balances of funds heretofore appropriated for soil bank
2 programs: *Provided*, That no part of these funds shall be
3 paid on any contract which is illegal under the law due to
4 the division of lands for the purpose of evading limits on
5 annual payments to participants.

6 LAND-USE ADJUSTMENT PROGRAM

7 For necessary expenses to promote the conservation and
8 economic use of land pursuant to the provisions of section
9 16 (e) of the Soil Conservation and Domestic Allotment Act
10 (16 U.S.C. 590h, 590p), as amended by the Act of Septem-
11 ber 27, 1962 (76 Stat. 606), \$10,000,000, to remain
12 available until expended.

13 OFFICE OF RURAL AREAS DEVELOPMENT

14 SALARIES AND EXPENSES

15 For necessary expenses, not otherwise provided for, of
16 the Office of Rural Areas Development in providing leader-
17 ship, coordination, liaison, and related services in the rural
18 areas development activities of the Department, \$120,000:
19 *Provided*, That this appropriation shall be available for field
20 employment pursuant to the second sentence of section
21 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), and not
22 to exceed \$3,000 shall be available for employment under
23 section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

1 OFFICE OF THE GENERAL COUNSEL

2 SALARIES AND EXPENSES

3 For necessary expenses, including payment of fees or
4 dues for the use of law libraries by attorneys in the field
5 service, \$3,953,000.

6 OFFICE OF INFORMATION

7 SALARIES AND EXPENSES

8 For necessary expenses of the Office of Information for
9 the dissemination of agricultural information and the coordi-
10 nation of informational work and programs authorized by
11 Congress in the Department, \$1,684,000, of which total
12 appropriation not to exceed \$537,000 may be used for
13 farmers' bulletins, which shall be adapted to the interests
14 of the people of the different sections of the country, an
15 equal proportion of four-fifths of which shall be delivered to
16 or sent out under the addressed franks furnished by the
17 Senators, Representatives, and Delegates in Congress, as
18 they shall direct (7 U.S.C. 417), and not less than two
19 hundred and thirty-two thousand two hundred and fifty
20 copies for the use of the Senate and House of Representatives
21 of part 2 of the annual report of the Secretary (known as
22 the Yearbook of Agriculture) as authorized by section 73
23 of the Act of January 12, 1895 (44 U.S.C. 241) : *Provided*,
24 That in the preparation of motion pictures or exhibits by the
25 Department, this appropriation shall be available for em-

1 ployment pursuant to the second sentence of section 706 (a)
2 of the Organic Act of 1944 (5 U.S.C. 574), and not to
3 exceed \$10,000 shall be available for employment under
4 section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

5 NATIONAL AGRICULTURAL LIBRARY

6 SALARIES AND EXPENSES

7 For necessary expenses of the National Agricultural
8 Library, \$1,420,000.

9 LIBRARY FACILITIES

10 For the preparation of plans, specifications, and draw-
11 ings for the National Agricultural Library, \$450,000, to
12 remain available until expended.

13 GENERAL ADMINISTRATION

14 SALARIES AND EXPENSES

15 For necessary expenses of the Office of the Secretary
16 of Agriculture and for general administration of the Depart-
17 ment of Agriculture, including expenses of the National Agri-
18 cultural Advisory Commission; repairs and alterations; and
19 other miscellaneous supplies and expenses not otherwise pro-
20 vided for and necessary for the practical and efficient work
21 of the Department of Agriculture, \$3,735,000: *Provided*,
22 That this appropriation shall be reimbursed from applicable
23 appropriations for travel expenses incident to the holding of
24 hearings as required by the Administrative Procedures Act
25 (5 U.S.C. 1001): *Provided further*, That not to exceed

1 \$2,500 of this amount shall be available for official reception
2 and representation expenses, not otherwise provided for, as
3 determined by the Secretary.

4 TITLE II—CREDIT AGENCIES

5 RURAL ELECTRIFICATION ADMINISTRATION

6 To carry into effect the provisions of the Rural Electri-
7 fication Act of 1936, as amended (7 U.S.C. 901-924), as
8 follows:

9 LOAN AUTHORIZATIONS

10 For loans in accordance with said Act, and for carrying
11 out the provisions of section 7 thereof, to be borrowed from
12 the Secretary of the Treasury in accordance with the provi-
13 sions of section 3 (a) of said Act, as follows: Rural electrifi-
14 cation program, \$425,000,000, of which \$150,000,000 shall
15 be placed in reserve to be borrowed under the same terms
16 and conditions to the extent that such amount is required
17 during the current fiscal year under the then existing con-
18 ditions for the expeditious and orderly development of the
19 rural electrification program; and rural telephone program,
20 \$70,000,000.

21 SALARIES AND EXPENSES

22 For administrative expenses, including not to exceed
23 \$500 for financial and credit reports, funds for employment
24 pursuant to the second sentence of section 706 (a) of the
25 Organic Act of 1944 (5 U.S.C. 574), and not to exceed

1 \$150,000 for employment under section 15 of the Act of
2 August 2, 1946 (5 U.S.C. 55a), \$11,162,000.

3 FARMERS HOME ADMINISTRATION

4 DIRECT LOAN ACCOUNT

5 Direct loans and advances under subtitles A and B, and
6 advances under section 335 (a) for which funds are not
7 otherwise available, of the Consolidated Farmers Home Ad-
8 ministration Act of 1961 (7 U.S.C. 1921), as amended,
9 may be made from funds available in the Farmers Home
10 Administration direct loan account as follows: real estate
11 loans, \$60,000,000; and operating loans, \$300,000,000, of
12 which \$50,000,000 shall be placed in reserve to be used
13 only to the extent required during current fiscal year under
14 the then existing conditions for the expeditious and orderly
15 conduct of the loan program.

16 RURAL RENEWAL

17 For necessary expenses, including administrative ex-
18 penses, in carrying out rural renewal activities under sec-
19 tion 32 (e) of title III of the Bankhead-Jones Farm Tenant
20 Act, as amended, \$1,000,000.

21 RURAL HOUSING FOR THE ELDERLY REVOLVING FUND

22 For loans pursuant to section 515 (a) of the Housing
23 Act of 1949, as amended (42 U.S.C. 1484; 76 Stat. 671),
24 including advances pursuant to section 335 (a) of the Con-
25 solidated Farmers Home Administration Act of 1961 (7

1 U.S.C. 1985) in connection with security for such loans,
2 \$2,000,000.

3 SALARIES AND EXPENSES

4 For necessary expenses of the Farmers Home Admin-
5 istration, not otherwise provided for, in administering the
6 programs authorized by the Consolidated Farmers Home
7 Administration Act of 1961 (7 U.S.C. 1921), as amended,
8 title V of the Housing Act of 1949, as amended (42 U.S.C.
9 1471-1484), and the Rural Rehabilitation Corporation Trust
10 Liquidation Act, approved May 3, 1950 (40 U.S.C. 440-
11 444); \$38,367,000, together with not more than \$1,050,-
12 000 of the charges collected in connection with the insurance
13 of loans as authorized by section 309 (e) of the Consolidated
14 Farmers Home Administration Act of 1961, as amended,
15 and section 514 (b) (3) of the Housing Act of 1949, as
16 amended: *Provided*, That, in addition, not to exceed
17 \$500,000 of the funds available for the various programs
18 administered by this Agency may be transferred to this
19 appropriation for temporary field employment pursuant to the
20 second sentence of section 706 (a) of the Organic Act of 1944
21 (5 U.S. C. 574) to meet unusual or heavy workload increases.

22 TITLE III—CORPORATIONS

23 The following corporations and agencies are hereby
24 authorized to make such expenditures, within the limits of
25 funds and borrowing authority available to each such cor-

1 poration or agency and in accord with law, and to make
2 such contracts and commitments without regard to fiscal
3 year limitations as provided by section 104 of the Govern-
4 ment Corporation Control Act, as amended, as may be
5 necessary in carrying out the programs set forth in the
6 budget for the current fiscal year for such corporation or
7 agency, except as hereinafter provided:

8 FEDERAL CROP INSURANCE CORPORATION

9 ADMINISTRATIVE AND OPERATING EXPENSES

10 For administrative and operating expenses, \$6,950,000.

11 FEDERAL CROP INSURANCE CORPORATION FUND

12 Not to exceed \$3,530,000 of administrative and operat-
13 ing expenses may be paid from premium income.

14 COMMODITY CREDIT CORPORATION

15 REIMBURSEMENT FOR NET REALIZED LOSSES

16 To reimburse the Commodity Credit Corporation for
17 net realized losses sustained during the fiscal year ending
18 June 30, 1962, pursuant to the Act of August 17, 1961
19 (15 U.S.C. 713a-11, 713a-12), \$2,500,000,000.

20 LIMITATION ON ADMINISTRATIVE EXPENSES

21 Nothing in this Act shall be so construed as to prevent
22 the Commodity Credit Corporation from carrying out any
23 activity or any program authorized by law: *Provided*,
24 That not to exceed \$41,650,000 shall be available for
25 administrative expenses of the Corporation: *Provided fur-*

1 *ther*, That \$1,000,000 of this authorization shall be avail-
2 able only to expand and strengthen the sales program of the
3 Corporation pursuant to authority contained in the Corpora-
4 tion's charter: *Provided further*, That not less than 7 per
5 centum of this authorization shall be placed in reserve to be
6 apportioned pursuant to section 3679 of the Revised Statutes,
7 as amended, for use only in such amounts and at such
8 times as may become necessary to carry out program opera-
9 tions: *Provided further*, That all necessary expenses (includ-
10 ing legal and special services performed on a contract or fee
11 basis, but not including other personal services) in connec-
12 tion with the acquisition, operation, maintenance, improve-
13 ment, or disposition of any real or personal property
14 belonging to the Corporation or in which it has an interest,
15 including expenses of collections of pledged collateral, shall
16 be considered as nonadministrative expenses for the purposes
17 hereof.

18 TITLE IV—FOREIGN ASSISTANCE PROGRAMS

19 PUBLIC LAW 480

20 For expenses during fiscal year 1964, not otherwise
21 recoverable, and unrecovered prior years' costs, including
22 interest thereon, under the Agricultural Trade Development
23 and Assistance Act of 1954, as amended (7 U.S.C. 1701-
24 1709, 1721-1724, 1731-1736), to remain available until
25 expended, as follows: (1) Sale of surplus agricultural com-

1 commodities for foreign currencies pursuant to title I of said
2 Act, \$1,452,000,000; (2) commodities disposed of for
3 emergency famine relief to friendly peoples pursuant to
4 title II of said Act, \$215,451,000; and (3) long-term sup-
5 ply contracts pursuant to title IV of said Act, \$52,515,000.

6 INTERNATIONAL WHEAT AGREEMENT

7 For expenses during fiscal year 1964 and unrecovered
8 prior years' costs, including interest thereon, under the In-
9 ternational Wheat Agreement Act of 1949, as amended
10 (7 U.S.C. 1641-1642), \$86,218,000, to remain available
11 until expended.

12 BARTERED MATERIALS FOR SUPPLEMENTAL STOCKPILE

13 For expenses during fiscal year 1964 and unrecovered
14 prior years' costs related to strategic and other materials
15 acquired as a result of barter or exchange of agricultural
16 commodities or products and transferred to the supplemental
17 stockpile pursuant to Public Law 540, Eighty-fourth Congress
18 (7 U.S.C. 1856), \$82,860,000, to remain available until
19 expended.

20 TITLE V—RELATED AGENCIES

21 FARM CREDIT ADMINISTRATION

22 LIMITATION ON ADMINISTRATIVE EXPENSES

23 Not to exceed \$2,785,000 (from assessments collected
24 from farm credit agencies) shall be obligated during the cur-
25 rent fiscal year for administrative expenses.

1 TITLE VI—GENERAL PROVISIONS

2 SEC. 601. Within the unit limit of cost fixed by law,
3 appropriations and authorizations made for the Department
4 under this Act shall be available for the purchase, in addi-
5 tion to those specifically provided for, of not to exceed five
6 hundred and fifteen passenger motor vehicles, of which four
7 hundred and ninety-eight shall be for replacement only, and
8 for the hire of such vehicles.

9 SEC. 602. Provisions of law prohibiting or restricting
10 the employment of aliens shall not apply to employment
11 under the appropriation for the Foreign Agricultural Service.

12 SEC. 603. Funds available to the Department of Agri-
13 culture shall be available for uniforms or allowances therefor
14 as authorized by the Act of September 1, 1954, as amended
15 (5 U.S.C. 2131).

16 SEC. 604. No part of the funds appropriated by this Act
17 shall be used for the payment of any officer or employee of
18 the Department who, as such officer or employee, or on
19 behalf of the Department or any division, commission, or
20 bureau thereof, issues, or causes to be issued, any prediction,
21 oral or written, or forecast, except as to damage threatened
22 or caused by insects and pests, with respect to future prices
23 of cotton or the trend of same.

1 SEC. 605. Except to provide materials required in or
2 incident to research or experimental work where no suitable
3 domestic product is available, no part of the funds appro-
4 priated by this Act shall be expended in the purchase of
5 twine manufactured from commodities or materials produced
6 outside of the United States.

7 SEC. 606. Not less than \$1,500,000 of the appropria-
8 tions of the Department for research and service work author-
9 ized by the Acts of August 14, 1946, July 28, 1954, and
10 September 6, 1958 (7 U.S.C. 427, 1621-1629; 42 U.S.C.
11 1891-1893), shall be available for contracting in accordance
12 with said Acts.

13 SEC. 607. No part of the funds appropriated by this Act
14 shall be used to conduct or assist in conducting any program
15 (including but not limited to the payment of salaries, admin-
16 istrative expenses, and the conduct of research activities)
17 related directly or indirectly to the establishment of a national
18 service corps or similar domestic peace corps type of program.

19 This Act may be cited as the "Department of Agricul-
20 ture and Related Agencies Appropriation Act, 1964".

Passed the House of Representatives June 6, 1963.

Attest:

RALPH R. ROBERTS,

Clerk.

AN ACT

Making appropriations for the Department of
Agriculture and related agencies for the
fiscal year ending June 30, 1964, and for
other purposes.

JUNE 10, 1963

Read twice and referred to the Committee on
Appropriations

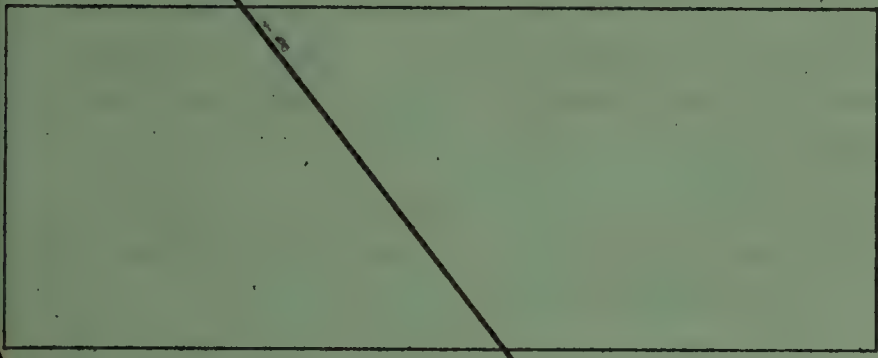
Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued August 26, 1963
For actions of August 23, 1963
88th-1st, No. 132



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HIGHLIGHTS: Senate committees reported: Mehren nomination. Dairy bill. Bill to increase number of new counties in which crop insurance may be offered. Manpower Development and Training Act amendments. Sen. Miller inserted items favoring restrictions on beef and veal imports. House passed foreign aid authorization bill. Rep. Findley requested public hearing on new USDA market news service.

SENATE

1. NOMINATIONS. The Agriculture and Forestry Committee reported the nomination of George L. Mehren to be an Assistant Secretary of Agriculture. p. 14859
2. DAIRY INDUSTRY. The Agriculture and Forestry Committee reported without amendment S. 1915, the Proxmire dairy bill to encourage the reduction of excess marketing of milk (S. Rept. 449). Sen. Proxmire expressed confidence that the bill will reduce the cost of the farm program, and will increase dairy farm income. p. 14860
3. CROP INSURANCE. The Agriculture and Forestry Committee reported without amendment S. 277, to increase the number of new counties in which crop insurance may be offered each year from not to exceed 100 to not to exceed 150 (S. Rept. 450). p. 14860

4. MANPOWER DEVELOPMENT. The Labor and Public Welfare Committee reported with amendments S. 1716, to amend the Manpower Development and Training Act of 1962 (S. Rept. 458). pp. 14860-1
5. APPROPRIATIONS. The "Daily Digest" states that the subcommittee of the Appropriations Committee "continued to consider H. R. 6754, fiscal 1964 appropriations for the Department of Agriculture, and related agencies, but did not conclude action thereon, and recessed subject to call." p. D664
6. TRANSPORTATION. The Commerce Committee reported with amendments S. J. Res. 102, to provide for the settlement of the labor dispute between certain railroads and their employees (S. Rept. 459). p. 14861
7. PUBLIC LAW 480. Received from the President the 18th semiannual report on activities carried on under Public Law 480, 83rd Congress, for the six-month period ending June 30, 1963 (H. Doc. 149). p. 14858
8. FORESTRY; LOANS. Received from Treasury a proposed bill "to liberalize the conditions of loans by national banks on forest tracts"; to Banking and Currency Committee. p. 14860
9. GENERAL SERVICES; PROCUREMENT. Received from GAO a report "on unnecessary depot handling and transportation costs of supply items, Federal Supply Service, General Services Administration." p. 14860
10. COMMITTEE ASSIGNMENTS. Agreed to a resolution relieving Sen. Proxmire from service on the Agriculture and Forestry Committee and assigning him to serve on the Appropriations Committee. p. 14865
Agreed to a resolution relieving Sen. Metcalf from service on the Interior and Insular Affairs Committee and assigning him to serve on the Labor and Public Welfare Committee. p. 14865
11. FOREIGN AID. Sens. Dirksen and Gruening submitted amendments intended to be proposed to the foreign aid authorization bill. pp. 14865-6
12. BEEF IMPORTS. Sen. Miller expressed concern over increased imports of beef and veal and inserted several items urging restrictions on such imports, including a letter to Secretary Freeman from the National Livestock Feeders Association criticizing a USDA release on the effects of beef imports on the domestic livestock industry. pp. 14869-74
13. FEDERAL EXPENDITURES. Sen. Miller urged a reduction in Federal expenditures and inserted two articles on the subject. pp. 14867-9
14. EDUCATION. Sen. Mundt urged enactment of legislation to continue Federal Assistance to schools in Federally impacted areas. p. 14875
15. RECLAMATION. Sen. Metcalf praised the Federal reclamation program and defended the program against criticism in a Life magazine article. pp. 14884-6
16. SCIENCE. Sens. Bartlett and Keating urged enactment of legislation to provide for the establishment of a Congressional Office of Science and Technology. pp. 14891-4
17. LEGISLATIVE PROGRAM. Sen. Metcalf stated that it is planned to take up the bill for settlement of the railroad dispute on Mon. p. 14859

Daily Digest

HIGHLIGHTS

Senate considered airport grants bill.
House passed reduced foreign aid bill.
Senate committee reported bill to settle railroad dispute.
See Congressional Program Ahead.

Senate

Chamber Action

Routine Proceedings, pages 14859-14890

Bills Introduced: 10 bills and 5 resolutions were introduced, as follows: S. 2068-2077; and S. Res. 187-191.

Page 14861

Bills Reported: Reports were made as follows:

S. 1543, repealing the legislation prohibiting Federal employment of employees of the Pinkerton Detective Agency or any similar agency (S. Rept. 447—reported on August 20);

H.R. 4638, proposed Presidential Transition Act of 1963 (S. Rept. 448);

S. 1915, to encourage the reduction of excess marketings of milk (S. Rept. 449);

S. 277, to increase the number of new counties in which crop insurance may be offered each year (S. Rept. 450);

S. 1936, authorizing the State of Rhode Island to maintain and operate the bridge across Mount Hope Bay (S. Rept. 451);

S. 1756, to amend the Alaska Public Works Act to authorize the Secretary of the Interior to collect, compromise, or release certain claims held by him under that act, with amendment (S. Rept. 452);

H.R. 1135, designating the dam being constructed and the reservoir to be formed on the Des Moines River, Iowa, as Red Rock Dam and Lake Red Rock (S. Rept. 453);

H.R. 4823, to modify the Rend Lake, Ill., flood control project (S. Rept. 454);

H.R. 2671, authorizing construction of a bank protection project on the Guyandot River at Barboursville, W. Va. (S. Rept. 455);

H.R. 7594, designating the McGee Bend Dam and Reservoir on the Angelina River, Tex., as the Sam Rayburn Dam and Reservoir (S. Rept. 456);

H. Con. Res. 179, expressing appreciation of the Congress to the American Association of State Highway

Officials for its contribution to the highway transportation system over a 50-year period (S. Rept. 457);

S. 1716, repealing matching requirement for Federal payments to States for training allowances for unemployed persons, with minority views (S. Rept. 458); and

S.J. Res. 102, to provide for settlement of the dispute between certain railroad carriers and railroad brotherhoods, with amendments and with individual views (S. Rept. 459).

Pages 14544, 14860-14861

Bills Referred: 13 House-passed bills were referred to appropriate committees.

Page 14859

Committee Assignments: The following three resolutions were adopted, making changes in committee assignments as indicated therein:

S. Res. 187, relieving Senator Burdick from further service on Committee on Labor and Public Welfare and assigning him to Committee on the Judiciary;

S. Res. 188, relieving Senator Proxmire from further service on Committee on Agriculture and Forestry and assigning him to Committee on Appropriations; and

S. Res. 189, relieving Senator Metcalf from further service on Committee on Interior and Insular Affairs and assigning him to Committee on Labor and Public Welfare.

Page 14865

Authority To Report: Committee on Commerce was authorized following adjournment today to file a report with minority views.

Committee on Agriculture and Forestry was authorized until midnight, August 26, to file supplemental views on S. 1915, to encourage the reduction of excess marketings of milk.

Page 14860

Oil-Gas Compact: Senate concurred in House amendment to S.J. Res. 33, granting consent for a 4-year extension of the Interstate Compact To Conserve Oil and Gas. This action cleared the bill for President's signature.

Pages 14894-14895

Airport Grants: Senate debated S. 1153, to extend the Federal Airport Act and to authorize funds therefor,

adopting committee amendment (in nature of a substitute for the bill) as amended by Proxmire amendment respecting availability of records, and, by unanimous consent, modified its previous order limiting debate on the bill by providing that after the third reading thereof further consideration shall be postponed until conclusion of morning business on Monday, August 26, at which time notwithstanding the bill's third reading, Senate may consider Proxmire amendment to reduce amounts in the bill by one-third (debate thereon and all amendments thereto to be limited to 20 minutes, equally divided), to be followed by vote on final passage of the bill.

Subsequently, there was a third reading of the bill.

Pages 14890-14891, 14895-14897, 14904-14921

Confirmations: Senate confirmed nominations of Ewan Clague, of Pennsylvania, to be Commissioner of Labor Statistics, Department of Labor; and 26 Coast and Geodetic Survey.

Page 14969

Nominations: Numerous Navy and Marine Corps nominations were received.

Pages 14967-14969

Program for Monday: Senate met at noon and adjourned at 6:49 p.m. until noon Monday, August 26, when it will complete consideration, under debate-limitation agreement, of S. 1153, airport grants.

Pages 14859, 14967

Committee Meetings

(Committees not listed did not meet)

APPROPRIATIONS—AGRICULTURE

Committee on Appropriations: Subcommittee, in executive session, continued to consider H.R. 6754, fiscal 1964 appropriations for the Department of Agriculture, and related agencies, but did not conclude action thereon, and recessed subject to call.

ARMS CONTROL

Committee on Armed Services: The Preparedness Investigating Subcommittee continued, in executive session, its hearings on arms control and nuclear test ban matters, having as its witness former Chief of Naval Operations Adm. George W. Anderson.

Hearings continue on Tuesday, August 27.

RAILROAD DISPUTE

Committee on Commerce: Committee, in executive session, ordered favorably reported with an amendment

in the nature of a substitute bill S.J. Res. 102, to provide for settlement of the dispute between certain railroad carriers and railroad brotherhoods.

It was announced that the Senate expects to consider this joint resolution on Monday, August 26.

NUCLEAR TEST BAN TREATY

Committee on Foreign Relations: Committee continued its hearings on the Nuclear Test Ban Treaty (Ex. M, 88th Cong., 1st sess.), receiving testimony in executive session from Doyle Northrup, Director of the Air Force Technical Application Center; and testimony in open hearings from James P. Warburg, New York City; Edwin P. Neilan, president, U.S. Chamber of Commerce; Carl McIntire, representing Liberty Lobby; Brig. Gen. J. H. Rothschild, USA (retired), representing United World Federalists; Mrs. Aileen Hutchinson, representing Women Strike for Peace; Stanley M. Andrews, representing Americans for National Security; and Sanford Gottlieb, National Committee for a Sane Nuclear Policy.

Hearings continue on Monday, August 26.

CIVIL RIGHTS

Committee on the Judiciary: Committee resumed its hearings on S. 1731 and S. 1750, proposed Civil Rights Act of 1963, receiving further testimony from Attorney General Robert F. Kennedy, who presented his Department's recommendations relative to title VI, which prohibits discrimination in federally assisted programs.

Hearings were recessed subject to call of the Chair.

MEDICAL EDUCATION FACILITIES

Committee on Labor and Public Welfare: Subcommittee on Health continued its hearings on S. 911 and H.R. 12, proposed Health Professions Educational Assistance Act of 1963, receiving testimony from Dr. Robert C. Berson, president-elect, Association of American Medical Colleges; Dr. Myron Wegman, president, Association of Schools of Public Health; Dr. John G. Whinery, who was accompanied by Dr. Vernon Boddicker, both of the Association of American Dentists; Dr. Harry Lyons, president, American Association of Dental Schools; William Truitt, National Farmers Union; Dr. Charles W. Bliven, American Association of Colleges of Pharmacy; Calvin Berger, American Pharmaceutical Association; and Joseph Cohen, National Association of Retail Druggists.

Hearings continue on Monday, August 26.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued Sept. 12, 1963
For actions of Sept. 11, 1963
88th-1st, No. 143

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	Loans.....21,24	Taxation.....15
		Test Ban Treaty.....4
		Textiles.....20
		Vocational education.....3
		Water resources.....18

HIGHLIGHTS: Senate subcommittee approved USDA appropriation bill. Sen. Williams (Del.) urged investigation of surplus commodity disposal. Senate subcommittee approved Ozark National Rivers recreation area bill. Senate subcommittee approved vocational education improvement bill. Sen. McClellan urged retaliation for Common Market restrictions on poultry imports. Sen. Stennis submitted amendment to bar foreign aid to countries permitting shipping to Cuba. House created select committee to investigate research programs.

SENATE

1. **AGRICULTURAL APPROPRIATION BILL, 1964.** The Appropriations Committee subcommittee approved for full committee consideration with amendments this bill, H.R. 6754. The "Daily Digest" states that the full committee will meet today (Thur.) in executive session to consider the bill. p. D705
2. **FORESTRY.** The Public Lands Subcommittee of the Interior and Insular Affairs Committee approved for full committee consideration with amendments S. 16, to provide for the establishment of the Ozark National Rivers (Mo.) recreation area (the proposed recreation area would include certain national forest lands). p. D706

3. VOCATIONAL EDUCATION. The Subcommittee on Education of the Labor and Public Welfare Committee approved for full committee consideration with amendments H. R. 4955, to increase the authorization for grants to States for vocational education programs. p. D706
The Rules and Administration Committee reported H. Con. Res. 203, to authorize the printing as a House document additional copies of the study, "The Federal Government and Education." p. 15889
4. NUCLEAR TEST BAN TREATY. Continued debate on ratification of the nuclear test ban treaty. pp. 15897, 15906-36
5. NATIONAL PARKS. The "Daily Digest" states that the Public Lands Subcommittee of the Interior and Insular Affairs Committee tabled S. 986, to provide for the establishment of the Prairie National Park, Kan. p. D706
6. FARM PROGRAM. Sen. Williams (Del.) renewed his request for an investigation of the disposal of surplus commodities by this Department and inserted a Wall Street Journal article critical of the disappearance of grain shipments to Austria and the alleged shipment of refined salad oil and shortening in faulty containers. pp. 15894-5
7. FOREIGN TRADE. Sen. McClellan urged that retaliatory action be taken unless the European Common Market reduces the import duties on U. S. poultry and stated that we must make certain that the Common Market does not export more to the United States while protecting its own industries and agriculture. p. 15901
8. FOREIGN AID. Sen. Stennis submitted an amendment intended to be proposed to the foreign aid authorization bill to prohibit foreign aid assistance to any country which does not, within 60 days after passage of the bill, take steps to prevent ships or aircraft under its registry from trading with Cuba. p. 15891
Sen. Keating submitted an amendment intended to be proposed to the foreign aid authorization bill to prohibit foreign aid assistance to any country which engages in propaganda against the U. S. or any country receiving foreign aid from the U. S. pp. 15891-2
9. LEGISLATIVE PROCESS. The Rules and Administration Committee voted to report (but did not actually report) S. Res. 89, to require germaneness in Senate debate; S. Res. 111, to permit committees to meet while the Senate is in session until the end of the morning hour; S. Res. 78, to permit former Presidents to speak on the Senate floor; and S. Con. Res. 1, to establish a Joint Committee on Organization of Congress. p. D706
10. LEGISLATIVE PROGRAM. Sen. Mansfield stated that the Defense Department appropriation bill may be considered sometime during debate on the nuclear test ban treaty. pp. 15895-6

HOUSE

11. RESEARCH. By a vote of 336 to 0, agreed to without amendment, H. Res. 504, to create a select committee of nine Members of the House to conduct an investigation of Federal research programs, with special attention to the overall total amount of expenditures on research programs, research costs of various agencies, amounts expended by agencies in grants and contracts for research to colleges and private industry, and present facilities for coordinating research programs, including grants to colleges and universities. The following members were appointed to the committee: Reps. Elliott (Chairman),

Daily Digest

HIGHLIGHTS

Senate debated Nuclear Test Ban Treaty.

Senate

Chamber Action

Routine Proceedings, pages 15888-15906

Bills Introduced: Four bills and three resolutions were introduced as follows: S. 2137-2140; S.J. Res. 118; and S. Res. 194-195. Pages 15889-15890

Bills Reported: Reports were made as follows:

H.R. 82, to amend the Merchant Marine Act so as to provide for the reimbursement of certain vessel construction expenses, with minority views (S. Rept. 486);

S. 1952, relating to acquiring Government-insured mortgages on housing at NASA and AEC installations, with amendments (S. Rept. 487);

S. Res. 182, authorizing an additional \$15,000 for expenditure by the Committee on Labor and Public Welfare (S. Rept. 488);

S. Con. Res. 58, to print additional copies of the hearings on the Nuclear Test Ban Treaty (S. Rept. 489);

S. Res. 190, to print as a Senate document additional copies of committee print entitled "The Ambassador and the Problem of Coordination" (S. Rept. 490);

S. Res. 193, to print additional copies of certain hearings entitled "Castro Network in the U.S." (S. Rept. 491);

H. Con. Res. 203, to print as a House document additional copies of a study entitled "The Federal Government and Education" (S. Rept. 492);

H. Con. Res. 212, to print as a House document selected excerpts relating to the 1963-64 national college debate topic, compiled by the Legislative Reference Service (S. Rept. 493);

S. Res. 194-195, authorizing payment of gratuities to survivors of two deceased Senate employees (no written reports). Page 15889

Medical Education: Senate made the following modifications in its unanimous consent agreement entered into on Tuesday, September 10, respecting debate limitation in consideration of H.R. 12, proposed Health Professions Educational Assistance Act of 1963: The bill will be laid before Senate for consideration at noon Thursday, September 12, and an amendment by Senator Javits will be considered to be in order when offered even though it may be nongermane. Page 15895

Nuclear Test Ban Treaty: Senate debated question of adoption of resolution of ratification of Nuclear Test Ban Treaty (Ex. M, 88th Cong., 1st sess.). Pages 15906-15936

Senate Program: Majority leader announced that the next bill possibly to be considered while the Nuclear Test Ban Treaty is before the Senate is H.R. 7179, Defense appropriations, in event this can be done without too much time being taken from consideration of the treaty. He also stated there is a very real possibility the Senate will be in session on Saturday, September 14, for further debate on the treaty. Pages 15895-15896

Confirmations: Numerous postmaster nominations were confirmed. Page 15940

Nominations: Numerous Marine Corps nominations were received. Page 15939

Program for Thursday: Senate met at noon and adjourned at 6:44 p.m. until noon Thursday, September 12, when it will consider under debate limitation agreement H.R. 12, medical education bill. Pages 15895, 15939

Committee Meetings

(Committees not listed did not meet)

APPROPRIATIONS—AGRICULTURE

Committee on Appropriations: Subcommittee, in executive session, approved for full committee consideration with amendments H.R. 6754, fiscal 1964 appropriations for the Department of Agriculture, and related agencies.

The full committee will meet tomorrow in executive session to consider this bill.

APPROPRIATIONS—COMMERCE

Committee on Appropriations: Subcommittee resumed its hearings on H.R. 7063, fiscal 1964 appropriations for the Departments of State, Justice, and Commerce, and the Judiciary, with testimony in behalf of funds for their Department from Under Secretary Franklin D. Roosevelt, Jr., and Herbert W. Klotz, Assistant Secretary for Administration, both of the Commerce Department.

Hearings continue tomorrow.

NATIONAL PARKS

Committee on Interior and Insular Affairs: Public Lands Subcommittee, in executive session, approved for full committee consideration S. 16, to establish Ozarks National Rivers, Mo. (amended). Subcommittee tabled S. 986, to establish Prairie National Park, in Kansas.

Prior to this action, in open session, subcommittee held hearings on S. 503 and H.R. 4152, authorizing addition of certain donated lands to the administrative headquarters site, Isle Royale National Park, Mich., with testimony from Frank Harrison, National Park Service, and Henry Schmidt, superintendent of Isle Royale National Park, both of the Department of the Interior.

CIVIL RIGHTS

Committee on the Judiciary: Committee resumed its hearings on S. 1731 and S. 1750, proposed Civil Rights Act of 1963, receiving further testimony from Attorney General Robert F. Kennedy.

Hearings were recessed subject to call of the Chair.

DRUGS

Committee on the Judiciary: The Antitrust and Monopoly Subcommittee met in executive session to consider the matter of the selling of drugs in Latin America under generic names, and agreed to allow subpoenas issued to seven drug companies to remain outstanding until December 2, 1963.

EDUCATION

Committee on Labor and Public Welfare: Subcommittee on Education, in executive session, approved for full committee consideration with amendments H.R. 4955, authorizing Federal grants to States for assistance in improving vocational education programs.

MANPOWER

Committee on Labor and Public Welfare: Subcommittee on Employment and Manpower resumed its hearings on manpower problems—social roots of unemployment, receiving testimony from Representative Gonzalez; Dean Arthur Larson, professor of law and director, World Rule of Law Center, Duke University, who directed his remarks to employment problems of older workers; and Dionicio Morales, Council of Mexican-American Affairs, Pico Rivera, Calif., who directed his remarks to employment problems of Mexican-Americans.

Hearings continue tomorrow.

CLEAN AIR ACT

Committee on Public Works: Special Subcommittee on Air and Water Pollution concluded its current series of hearings on S. 432, to extend and strengthen the Federal air pollution control program, after receiving testimony from Senator Neuberger; Dr. Myron B. Anthony, Manufacturing Chemists' Association; Samuel S. John-

son, National Association of Manufacturers; Erwin E. Schulze, American Iron & Steel Institute; Joseph W. Mullan, National Coal Association; Dr. Frederic G. Burke, Washington, D.C.; David P. Buckson, attorney general, Delaware, who submitted a statement; Dr. Merideth Thompson, representing Conference of State Sanitary Engineers; Eugene A. Sloane, Detroit, editor of Air Engineering magazine; and Edward Sargent, Incinerator Institute of America.

COMMITTEE BUSINESS

Committee on Rules and Administration: Committee, in executive session, ordered favorably reported S. Res. 182, authorizing an additional \$15,000 for expenditure by the Committee on Labor and Public Welfare; S. Con. Res. 58, to print additional copies of the hearings on the Nuclear Test Ban Treaty; S. Res. 190, to print as a Senate document additional copies of committee print entitled "The Ambassador and the Problem of Coordination"; S. Res. 193, to print additional copies of certain hearings entitled "Castro Network in the U.S."; H. Con. Res. 203, to print as a House document additional copies of a study entitled "The Federal Government and Education"; H. Con. Res. 212, to print as a House document selected excerpts relating to the 1963-64 national college debate topic, compiled by the Legislative Reference Service; S. Con. Res. 1, to establish a Joint Committee on the Organization of Congress (with an amendment in the nature of a substitute); S. Res. 89, to amend Senate rule VIII so as to require that 3 hours each day the debate on the floor of the Senate be germane to the pending business (amended); S. Res. 111, to amend Senate rule XXV so as to permit committees to meet while the Senate is in session until the end of the morning hour; S. Res. 78, to permit former Presidents of the United States to have the privilege of speaking on the floor of the Senate (amended); two original resolutions authorizing payment of gratuities to survivors of two deceased Senate employees; and an original resolution relating to request by the U.S. Capitol Historical Society for permission to make a photograph of the Senate in session.

JOINT ADVERTISING BY RETAILERS

Select Committee on Small Business: Committee began a series of hearings on the problem of allowing small retailers jointly to publish advertising which includes the prices of their products. Witnesses heard were Paul Rand Dixon, Chairman, Federal Trade Commission; Herman Nolan, chairman of the board, McKesson & Robbins, New York; M. W. Armistead III, Roanoke Times and World News, and chairman of ANPA Federal Laws Committee, Roanoke, Va.; Roland Hicks, professor of marketing and advertising, Ferris Institute, Big Rapids, Mich.; and E. B. Weiss, special merchandising service, Doyle, Dane, Bernback, Inc., New York.

Hearings were recessed subject to call.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued Sept. 13, 1963
For actions of Sept. 12, 1963
88-1st; No. 144

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		Shipping.....15
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		Youth employment.....27

HIGHLIGHTS: Senate committee reported agricultural appropriation bill. Sen. McCarthy submitted surplus reduction payments amendment to dairy bill. Sens. Young and Russell submitted for printing reports on USDA research on nutrition and new uses for farm products. Sen. McCarthy inserted Secretary's speech at first farmer meeting. Sen. Hart inserted David Bell's statement defending foreign aid program. Rep. Cannon noted possibility of less appropriated funds this year than last year.

SENATE

1. **AGRICULTURAL APPROPRIATION BILL, 1964.** The Appropriations Committee reported with amendments this bill, H. R. 6754 (S. Rept. 497) (p. 15973). Attached to this Digest is a copy of the committee report, which explains the committee actions.
2. **DAIRY INDUSTRY.** Sen. McCarthy (for himself and Sens. Neuberger and McGovern) submitted an amendment intended to be proposed to S. 1915, the Proxmire dairy bill, which he stated would provide for a voluntary program of surplus reduction payments on milk, to be effective until April 1, 1965. He stated that USDA figures on his proposal show that it would reduce Government costs by \$37 million, cut the surplus of milk by over 50 percent, and increase the net income of dairy farmers by \$150 million. pp. 15975-7
3. **FARM PROGRAM.** Sen. McCarthy commended Secretary Freeman's plan to undertake a series of 13 report and review meetings with farmers and other rural citizens

across the Nation and inserted the Secretary's address at the first meeting held in Worthington, Minn., Sept. 8. pp. 15996-8

4. RESEARCH. Agreed to resolutions of the Appropriations Committee providing for the printing as Senate documents reports of this Department, "Proposed Program for Expanding Research in Food and Nutrition" (S. Doc. 35) and "Strengthening Research on Utilization of Agricultural Commodities" (S. Doc. 34). pp. 15973, 15977-8
5. NUCLEAR TEST BAN TREATY. Continued debate on ratification of the nuclear test ban treaty. pp. 15968-71, 15992, 16001-28
6. FOREIGN AID. Sen. Hart inserted an article by David E. Bell, Administrator of the Agency for International Development, defending the foreign aid program against recent criticism. pp. 15981-3
Sen. Church urged that foreign aid be discontinued to South Vietnam unless the present Government changes some of its policies. pp. 15946-7
7. FOREIGN TRADE. The Finance Committee reported with amendments S. Con. Res. 19, to designate "bourbon whiskey" a distinctive product of the United States (S. Rept. 496). p. 15973
8. GRANTS-IN-AID. Sens. Nelson and Proxmire were added as cosponsors of S. 2114, to provide for periodic Congressional review of Federal grants-in-aid to States and local governmental units. p. 15978
9. BALANCE-OF-PAYMENTS. Sen. Javits expressed concern over the balance-of-payments problem and inserted two items on the matter. pp. 15985-6
10. ELECTRIFICATION. Sen. Metcalf criticized the proposal of the Montana Power Co. for construction of dams on the Flathead River, Mont., stating that the company "charges exorbitant rates and ships its millions of dollars in annual over-charges to the out-of-State stockholders." pp. 15986-7
11. HOUSING. Sen. Sparkman urged an increase in the authorizations for the Housing and Home Finance Agency to make loans for housing for the elderly. pp. 15989-90
12. PERSONNEL. Sen. Humphrey inserted CSC Chairman Macy's address dealing with equal opportunity for the handicapped under the merit system. pp. 15998-16001

HOUSE

13. APPROPRIATIONS. Rep. Cannon analyzed the budgetary situation, urged efforts to balance the budget, and noted the possibility of less funds being appropriated this year than last year. pp. 16048-50
14. LEGISLATIVE ORGANIZATION. Rep. Steed expressed his concern that the proposed study of congressional organization, as recently approved by the Senate Rules Committee, might result in destruction of certain prerogatives of the House. p. 16031
15. SHIPPING. Rep. Rogers (Fla.) urged passage of H. R. 7687, to close U.S. ports to any country which allows its ships to go into Cuba. pp. 16031-2

Calendar No. 476

88TH CONGRESS }
1st Session }

SENATE

{ REPORT
No. 497

DEPARTMENT OF AGRICULTURE AND RELATED AGEN- CIES APPROPRIATION BILL, 1964

SEPTEMBER 12, 1963.—Ordered to be printed

Mr. HOLLAND, from the Committee on Appropriations, submitted the
following

R E P O R T

[To accompany H.R. 6754]

The Committee on Appropriations, to which was referred the bill (H.R. 6754) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, and for other purposes, report the same to the Senate with various amendments and present herewith information relative to the changes made:

Amount of bill as passed House (direct appropriations)-----	\$5, 979, 457, 000
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Amount of increase by Senate committee (net)-----	67, 281, 340
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Amount of bill as reported to Senate-----	6, 046, 738, 340
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Amount of appropriations, 1963-----	6, 007, 599, 910
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Amount of estimates for 1964-----	6, 368, 755, 000
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The bill as reported to the Senate:

Over the appropriations for 1963-----	39, 138, 430
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Under the estimates for 1964-----	322, 016, 660
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GENERAL STATEMENT

The Senate committee bill is in the amount of \$6,046,738,340, an increase of \$67,281,340 over the House bill, and is \$322,016,660 under the budget estimate, and \$39,138,430 over 1963 appropriations.

The bill includes \$1,618,461,340 for general activities and credit agencies of the Department under titles I and II. This is an increase of \$73,380,580 over 1963, an increase of \$34,998,340 over the House bill, and \$22,016,660 under the budget estimates.

Under titles III and IV of the bill are carried the appropriations authorized by various laws to be made to (1) reimburse the Commodity Credit Corporation for losses incurred for regular price support activities, and (2) to reimburse the Corporation for the cost of the foreign assistance programs, including the various titles under Public Law 480, as amended; the International Wheat Agreement; and for the cost of bartered materials for the supplemental stockpile.

The amounts recommended in the budget estimate, amounts carried in the House bill, and amounts recommended by the committee are shown below, by titles of the bill:

Summary of the bill by titles

Title	Budget estimates, 1964	House bill, 1964	Senate committee, 1964	Senate committee (+) or (-) budget estimate
Title I—General activities.....	\$1,582,417,000	\$1,530,934,000	\$1,562,957,340	—\$19,459,660
Title II—Credit agencies.....	58,061,000	52,529,000	55,504,000	—2,557,000
Title III—Commodity Credit Corporation and Federal Crop Insurance Corporation:				
Reimbursement for net realized losses.....	2,799,400,000	2,500,000,000	2,699,400,000	—100,000,000
Federal Crop Insurance Corporation.....	7,210,000	6,950,000	7,210,000	-----
Total, Corporations.....	2,806,610,000	2,506,950,000	2,706,610,000	—100,000,000
Title IV—Foreign assistance programs:				
Public Law 480:				
Sales for local currency.....	1,452,000,000	1,452,000,000	1,252,000,000	—200,000,000
Emergency famine relief.....	215,451,000	215,451,000	215,451,000	-----
Long-term supply contracts.....	79,000,000	52,515,000	79,000,000	-----
Total, Public Law 480.....	1,746,451,000	1,719,966,000	1,546,451,000	—200,000,000
International Wheat Agreement.....	92,356,000	86,218,000	92,356,000	-----
Bartered materials for supplemental stockpile.....	82,860,000	82,860,000	82,860,000	-----
Total, title IV.....	1,921,667,000	1,889,044,000	1,721,667,000	—200,000,000
Title V—Related agencies:				
Farm Credit Administration.....	(2,785,000)	(2,785,000)	(2,785,000)	-----
Grand total.....	6,368,755,000	5,979,457,000	6,046,738,340	—322,016,660

THE IMPORTANCE OF AGRICULTURE TO THE NATION

The functions of the Department of Agriculture for which this bill makes appropriations, have an impact on all aspects—both domestic and foreign—of the economy of our country. The international aspects include foreign assistance programs which are a vital segment of our Nation's foreign policy. American agriculture contributes to the economic development of less developed countries abroad. It provides food for hungry people, and it improves our balance-of-payments position.

Programs administered by the Department include food distribution, investment in REA and FHA loans, improvement of agricultural resources, research and education, inspection, grading, and other marketing services, disease and pest control, protection of soil and water resources, and farm programs for the stabilization of farm income.

The problem of growth is the central economic problem of our time. This country provides an outstanding example of what an efficient agriculture can do for the economic growth of a country. Our history reveals seven contributions of major importance to economic growth: The release of workers to industry, lowering of food costs relative to income, and expanding markets for industrial goods, large earnings from exports of farm products, sustained output during economic depression, the meeting of wartime demands for food and fiber, and assistance to the economic development of other countries. American agriculture will continue to play a significant role in the economic growth of our Nation. Furthermore, American agriculture in the years to come will almost certainly make further dynamic contributions to world development and economic growth—particularly in the emerging countries abroad. Many of them are still more agricultural than we were a hundred years ago. At that time about two-thirds of our people lived on farms, compared with less than 10 percent today.

The fact that 1 farmworker produces enough farm products to supply himself and 26 others now, compared to only enough for himself and 3½ others a century ago, illustrates the dramatic increase in the productivity of American farms and American farmers. This productivity makes it possible for us to be the best fed people in the world and still spend less than 20 percent of our disposable income for food.

Despite agriculture's outstanding success in terms of efficient production, the benefits of our agricultural progress still need to be translated into improved incomes to farm families. Much of the increase in agricultural production has been achieved through increased farm investment and purchase of nonfarm production goods. Farm production expenses continue to take an increasingly larger proportion of the farmer's gross income. Thus farmers are increasingly vulnerable to the "cost-price squeeze" that results from persistent increases in prices they pay for the goods and services they buy, while prices the farmer receives for his products remain relatively stable. With prices received averaging around 80 percent of the parity index in recent years, farmers have been forced to produce and sell consistently larger quantities in an effort to maintain their net income—a modern-day example of the need to run faster and faster to stay in the same place.

One of the great illusions which exists today is that farmers are the sole beneficiaries of programs of agricultural research, education, and technical assistance. It's true that farmers could not afford to be without the increasing productive efficiency that stems in large measure from these programs, and the farmers who adopt new methods gain a temporary advantage. But in the last analysis, all of the American people benefit from the abundant supplies of high quality foods and other farm products available to them at reasonable prices.

THE AGRICULTURAL RESEARCH PROGRAM

The program of agricultural research has developed over the past 100 years. It is a partnership arrangement of Federal, State, and industry research covering a wide range of research programs, including production, nutrition, new and improved uses for agricultural commodities, economic research, entomology, soil and water conservation, and related research investigations. The success of this long-term joint research effort has made our agricultural technology preeminent in the world today. Under this nationally oriented and centrally directed and coordinated research program, the Department works in close harmony with the States to meet present and future research needs essential to the maintenance of a healthy and vigorous agricultural industry. Within this bill are carried the appropriations for the various research program activities of the Department and for the payments to State agricultural experiment stations.

Within the Department, there is assigned to the Administrator of the Agricultural Research Service the responsibility for coordinating the research programs of the Department. The Research Administrator utilizes a research council, comprised of key research agency officials, to assist him in discharging his assigned responsibilities for research coordination. Research project proposals are submitted by the appropriate agency for approval of the research coordinator. Since it was established in 1948, the central project office has served as the coordination center for project clearance and control for the various research agencies within the Department. This system of coordination appears to function adequately, but there is a continuing need for improvement, in clarifying the research objectives among research agencies and for improving the coordination and correlation of research program activities within the Department.

The national agricultural research program needs to be strengthened to meet the future needs of agriculture and of our growing population. Better means must be found for controlling diseases and coping with insect pests. Deficiencies in our knowledge of human nutrition have become apparent and are in need of accelerated research investigation. Much greater emphasis needs to be put upon developing new uses for commodities and for the development of substitute crops. Many soil and water research problems remain unsolved. More emphasis needs to be placed upon the marketing, storage, and handling of agricultural commodities as they move from the producer into consumer hands. Accelerated research in these and other areas will produce the answers which are needed to improve the efficiency of agricultural production, and to develop new uses for surplus crops, as well as to provide new processing methods and product development opportunities for all agricultural commodities.

Specifically, the committee believes that every effort should be made by the Agricultural Research Service, in collaboration with the land-grant colleges, to strengthen the systematic and continuous review of the research programs, including project reviews, to make certain that worthwhile projects are undertaken and that current project investigations are phased out upon completion or discontinued when they show no useful results. It is evident that there is further need to refine the classification of research programs as between Federal and State programs in order that there be a similar classification of the subject-matter fields of research between Federal and

State programs for more accurate reporting of the scope of research by types and the expenditures by major classifications. A better and more consistent classification of research activity should also result in more efficient use of personnel and research facilities, and in the orderly redirection of research activity.

The Federal effort is devoted primarily to research problems of national and regional nature, with the State programs concentrating upon intrastate, and some regional projects. The Federal Department's research activity embodies 273 different locations and the States have a total of 421 locations. At many of these locations, both Federal and State employees are working together in joint endeavor. Many of the Federal, and undoubtedly some of the State, facilities are inadequate or outmoded to serve present and future research requirements. The committee believes that the modernization and expansion of research facilities are of importance and should proceed in an orderly and systematic fashion. Most research programs are of long-term duration, and it is usually more efficient and less costly to provide adequate central facilities where a concerted program can be undertaken than to disperse funds to a number of locations with resultant inefficiency and lack of proper coordination. In recent years, the Congress has provided the funds for new or modernized research facilities to intensify research in entomology, soil and water conservation, livestock, poultry diseases, and for other purposes. Additional facilities are urgently needed to strengthen these and other programs to carry forward the long-term agricultural research program activities.

The committee believes that a modest expansion of research contracts and grants should be undertaken as a supplement to the existing research programs carried out by the Department and by the State experiment stations. Contracts and grants should be limited to specific needs of a short-term nature where such contracts can be undertaken by qualified organizations or agencies without setting into motion a further competition for the limited supply of qualified scientists, such as has already occurred in other Government research program activities.

The committee requests each research agency of the Department to provide it with a résumé on research contracts or grants entered into beginning with fiscal year 1964. This summary shall set forth the following: Name and location of contractor or grantee; term and cost of contract or grant; demonstrated research capability of contractor or grantee; extent of present research staff and salaries paid; expenditures for and source of any additional research specialists required to conduct the contract or grant, including the annual salaries proposed for such personnel; the requirements in the contract for progress reporting by the contractor and provision made for a final report on research results; the estimated cost to the agency and to the contractor for administrative and technical support costs; requirements in the contract for disposition of facilities or equipment purchased by the contractor in order to perform the contract; together with related pertinent information.

The committee is concerned about the portion of research funds used for administrative and program support costs. These costs should be held to the minimum consistent with efficient research management. The committee requests the Secretary of Agriculture to obtain information on the administrative and program support costs in the

Department of Agriculture and in the land-grant colleges and universities and the State agricultural experiment stations. He is requested to report on his findings on such costs, including research conducted by contracts and grants, to the committee by next January 31. The Secretary is also requested to report upon the impact that pending legislative authorizations for accelerated soil and water research may have upon the existing research programs of the Department and the State agricultural experiment stations.

TITLE I—GENERAL ACTIVITIES

AGRICULTURAL RESEARCH SERVICE

SALARIES AND EXPENSES

RESEARCH

1963 appropriations.....	\$88,182,550
1964 budget estimate.....	90,554,000
House bill.....	94,445,000
Committee recommendation.....	91,811,700

This agency is responsible for the coordination of research within the Department and is the principal research agency within the Department of Agriculture. Research programs include (a) farm research on crops and livestock, their diseases and pests, soil and water conservation, and agricultural engineering; (b) utilization research and development; (c) nutrition and consumer use research; and (d) oversea research under authority of sections 104 (a) and (k) of Public Law 480, as amended. The latter program is financed under a separate appropriation head.

An appropriation of \$91,811,700 is recommended for this item. The amount recommended is \$3,629,150 over the 1963 appropriation and is \$1,257,700 over the budget estimate, and \$2,633,300 under the amount recommended in the House bill.

The House bill consolidated the appropriation requested in the budget estimate for "Marketing research" and "Construction of facilities" under the Agricultural Research Service. The committee does not concur in the action by the House and has restored these amounts, totaling \$6,550,000, to the Agricultural Marketing Service as recommended by the Department.

The House committee proposal was predicated upon an improvement in research efficiency by closer coordination. Under departmental administrative regulations (ch. 2, sec. 3, 115), the Administrator of the Agricultural Research Service is currently assigned the function of research coordination for all research agencies within the Department. This coordination responsibility includes the examination and analysis of proposed, and ongoing research, the review and approval of projects or proposals prior to their initiation, together with providing advice and in consulting with heads of Department research agencies on program planning. He also has the responsibility to report upon research and to make recommendations to the Secretary on departmental research programs.

The committee believes that greater emphasis should be given to the coordination of specific commodity research programs. For example, all research dealing with the effect of machines upon cotton

fiber should be better coordinated and the results of independent research investigations by project workers at different locations should be better correlated. The Department has advised the committee that it has undertaken a review of closely allied research activities and will report on its findings and make its recommendations to the respective Committees on Appropriations.

The committee has recommended the full budget estimate of \$2,178,450 for pay costs, of which \$938,000 had been denied by the House. An increased appropriation of \$1,445,000 is recommended to staff and operate farm research laboratories recently constructed. This is the amount requested in the budget estimate and \$245,000 over the amount in the House bill.

The committee has provided \$177,500 of the budget increase of \$308,000 to accelerate hydrology research in the four watersheds where this research is already underway. This item had been denied by the House.

An increase in appropriation of \$300,000 is provided for animal parasite research, and protection methods to control against introduction of foot-and-mouth disease and African swine fever. This is a partial restoration of the budget request, \$510,000, of which \$200,000 was carried in the House bill.

The committee concurs in the action by the House to deny increases requested in the budget of \$103,000 for research on insect taxonomy and \$755,000 for a food consumption survey. The committee approves budget reductions of \$2,928,000 below the 1963 amount for laboratory construction amounting to \$2,780,000 and \$148,000 savings due to installation of centralized personnel data and payroll.

The committee has given careful consideration to the numerous proposals made to it to initiate and to accelerate research. It recommends a total increase of \$2,456,200 for several items for which increases are recommended. The respective amounts and purposes of the increase for each item is briefly described below:

(1) For the partial equipping and initial staffing of the metabolism and irradiation laboratory at Fargo, N. Dak., an appropriation of \$960,000 is included. The President's Science Advisory Committee in its report dated May 15, 1963, on the "Use of Pesticides" recommended that extended research be undertaken on the metabolism of compounds in insects, plants, and higher animals and the development of safer, more specific, and less persistent pesticide chemicals. The committee is advised that this laboratory will be ready for occupancy early next year and believes that the Department is fortunate in having a new laboratory to deal with this type of research. It has included funds needed to enable research to be initiated at this new laboratory without further delay. This laboratory was authorized by the Congress in the Agricultural Appropriation Act of 1961.

(2) \$150,000 for strengthening varietal decline research on sugarcane in the three major producing areas, for which an initial research program was approved last year.

(3) \$100,000 for research to develop equipment and better methods of cutting, harvesting, and loading recumbent sugarcane.

(4) \$75,000 for accelerated research on nosema disease in bees.

(5) \$200,000 to accelerate soybean production research investigations.

(6) \$175,000 for accelerating sugarbeet production research.

- (7) \$50,000 for additional basic research investigations on corn.
- (8) \$25,000 for the initial staffing of the new soil and water research laboratory at Sydney, Mont.
- (9) \$25,000 for accelerating soil and water conservation research at East Franklin, Vt., and \$25,000 to initiate the installation of hydrology devices, of nonrecurring nature, needed for watershed investigations on the Sleepers River.
- (10) \$125,000 for citrus research, of which \$75,000 is to provide the balance of the program initiated last year on breeding and cold-hardiness investigations, and \$50,000 is to provide the balance of the program to develop mechanical harvesting aids for citrus.
- (11) \$25,000 for strengthening bee research investigations at Laramie, Wyo.
- (12) \$75,000 to strengthen horticultural research at Cheyenne, Wyo.
- (13) \$25,000 to accelerate strawberry research in Oregon.
- (14) \$25,000 to accelerate research on safflower to evaluate the protein and lignin determinations.
- (15) \$6,200 to complete a \$25,000 research program on dried peas and lentils, for which \$18,800 was provided last year.
- (16) \$15,000 to improve the road from Newell, S. Dak., to the research station.
- (17) \$175,000 for research studies, and temporary facilities needed for research on the Marshland mosquito which has affected the gulf coast of Louisiana and Texas. The research undertaken is to be directed and coordinated from the central laboratory which deals with research on insects affecting man and beast.
- (18) \$100,000 to initiate research on the cereal leaf beetle, an insect new to this country, which is causing widespread damage to cereal crops in the Midwest. This amount together with funds already committed will provide a research program of \$200,000 annually. The agency can also utilize some additional funds from the contingency research fund should it become necessary in order to further strengthen the research program on this insect.
- (19) \$50,000 to strengthen tobacco research with particular emphasis upon the problem of sucker control, and synthetic growth regulators.
- (20) \$25,000 to initiate a research program to develop mechanical harvesting aids for kona coffee, in cooperation with the State of Hawaii.
- (21) \$25,000 to survey and report upon the need for and scope of work to be undertaken at a proposed regional research station to conduct research investigations on fruit crops in the northeastern Appalachian region. The report to be submitted should include a presentation and summary of present research studies, the need for additional research, present production, and the potential of development for fruit crops in the areas that would benefit from such accelerated research. The report shall also include the estimated cost of establishing the station and estimated annual operating costs, and any related pertinent information.

The committee requests the Secretary to give consideration to the inclusion in the budget for next year of funds required to initiate the expanded food and nutrition research program, recommended in the report recently submitted to the Congress, pursuant to the committee report of last year.

The committee considered additional proposals to establish new research facilities and to modernize existing facilities. These proposals have merit and should be given appropriate consideration by the Department.

The committee recommends that the needs for production, marketing, and related research on horticultural and floricultural crops be given early attention in the budgetary plans of the respective agencies of the Department in order to meet the more urgent needs of this important industry.

UTILIZATION RESEARCH AND DEVELOPMENT

The committee has included a provision in the bill to authorize the use of Commodity Credit Corporation funds to institute an expanded research program of utilization research and development. The action by the committee is designed to carry out the strengthening of utilization research as outlined in the report to the Congress on utilization research and development in response to Senate Resolution 415, 87th Congress, 2d session, and also to carry out intensive research to decrease the cost of production of surplus crops.

The productive capacity of American agriculture has placed us agriculturally at the forefront of the nations of the world. But our successes in agricultural production are offset in substantial measure by our inability to use profitably a sizable fraction of what we produce, requiring much of our agricultural production to be channeled into Government storage or disposal abroad at a cost to the Nation of billions of dollars each year. It is increasingly evident that we need most urgently, practical means for expanding our capacity to utilize farm commodities. It is also evident that to accomplish this we need to intensify our research to find and develop new and expanded uses and markets for these surplus commodities.

For more than 20 years, the Agricultural Research Service has been conducting a program of utilization research and development to find new food, feed, and industrial uses for surplus farm products. Utilization research contributes to alleviation of surpluses, to increasing farm income, to the establishment of rural industries, and to the variety and utility of products available to the consumer. It devises new, less costly, more attractive, and more nutritious foods; it seeks significant new industrial uses; it shields the farmers' existing outlets in industry against invasion by synthetics; it is directed to expansion of all farm markets, foreign and domestic. Utilization research is contributing to the solution of three other major problems confronting American agriculture today: the problem of underconsumption; the problem of conservation and resource use; the problem of opportunities for farm and rural people.

This research, though limited, has been very successful in providing additional markets for commodities that otherwise would have further contributed to the expensive Government storage and disposal programs. In fact, according to statements by departmental officials the benefits to the Nation's economy in recent years have amounted to \$25 for each dollar spent on utilization research.

Utilization research has made lasting impressions on our economy and the way we live. For example, improved processing technology made soybeans a major source of oil for food and industrial uses and of

protein for expanding the Nation's livestock and poultry industries. Wash-and-wear cottons halted the inroads by synthetic fibers on cotton markets. Tallows and greases that lost their traditional markets in soap were made into plastics and feeds. Frozen orange juice concentrate and instant potatoes revolutionized the processing and distribution of these foods. There have also been many less tangible benefits from utilization research, such as the large-scale commercialization of penicillin; the development of dextran as a blood plasma extender; and the development of a process—if we ever need it—of removing radioactive strontium 90 from milk.

The committee believes that the present level of utilization research is inadequate to provide, as promptly as needed, the means for the practical alleviation of our surplus problems. It also believes that the achievements of utilization research in the past forecast the promise that intensification of this research holds for the future. It was for these reasons that the Senate asked the Department of Agriculture last year, in Senate Resolution 415, "to submit to the Director of the Budget and to the Congress * * * the most effective program available for research to discover new uses for agricultural commodities; and * * * to limit this program to items costing not in excess of \$35 million per annum above current allowances for 1963 for utilization research to discover new uses for agricultural commodities." This report has been received. It proposes to expand utilization research in various ways. Utilization research would be increased at once across a broad front. Since there is very limited room for expansion in the Department's present facilities, approximately half of the new funds in the first 2 years would be used to collaborate with universities and other public and private institutions through contracts, grants, and cooperative arrangements. This would both intensify the research effort and broaden the base of participation in this vitally important field of agricultural research.

Nearly half of the increase in the first 2 years would be used to construct and enlarge urgently needed facilities. As the proposed construction is completed, research in the Department's facilities would be increased from approximately \$21 to \$44 million a year. Work outside the Department would be increased from about \$3 to \$15 million a year. The first year's increase would be devoted to nearly 200 different projects. Special emphasis would be placed on cereals, cotton, and animal products. Substantial increases would be allotted to work on wool, oilseeds, fruits and vegetables, tobacco, sugar, naval stores, and new replacement crops. In subsequent years, additional opportunities for developing expanded markets for these and other commodities would be exploited.

The committee believes that the Department's proposal for increasing its utilization research effort is realistic and reasonable. It believes that the detailed research plans presented in the Department's report have excellent potential and promise for prompt culmination in developments that will provide substantial economic markets for major surpluses. The committee recommends that the increased funds for utilization research and development be allocated with considerable discretion by the Secretary of Agriculture for the purpose of conducting utilization research essentially as proposed in

the Department's report in response to Senate Resolution 415, including the construction and staffing of research facilities, agreements, and contracts with private organizations and firms, and such other steps as may be necessary to carry out a generally accelerated research program. In carrying forward its utilization research program appropriate consideration should be given to research investigations on grapes and grape products, including wine.

PLANT AND ANIMAL DISEASE AND PEST CONTROL

1963 appropriations.....	\$59, 504, 980
1964 budget estimate.....	65, 148, 000
House bill.....	59, 505, 000
Committee recommendation.....	66, 821, 500

The committee recommends an appropriation of \$66,821,500 to carry out the various inspection, regulatory, and control programs financed under this appropriation item. The recommended amount is \$7,316,520 over fiscal 1963, \$7,316,500 over the House bill, and \$1,673,500 over the budget estimate. The committee has provided \$1,534,020 for pay costs pursuant to Public Law 87-793 as requested in the budget estimate. The House bill had only provided \$875,500 of this amount and proposed absorption of \$658,520 by program reductions negating in part the program increases specified in the House committee report.

This committee has restored to the bill \$2,750,000 for the Federal share in the cooperative screwworm eradication program. This is the same amount as was appropriated in the Supplemental Appropriation Act, 1962, to initiate the program in the Southwest. This item was inadvertently omitted in the bill as it came from the House.

For the hog cholera eradication program, the budget estimate of \$4,109,200 is recommended. This is an increase of \$2,056,000 over 1963 as requested in the budget and \$1,259,980 over the amount in the House bill. This is a cooperative program and the committee believes it essential to provide adequate funds for the Federal share of costs.

For strengthening plant quarantine at ports of entry an increase of \$484,000 over 1963 is provided. This is the amount of the budget estimate and an increase of \$323,000 over the House bill. For strengthening animal inspection and quarantine an increase of \$86,500 over 1963 is recommended. This is \$86,500 under the estimate and is the amount carried in the House bill.

The committee has restored the increase of \$148,000 requested in the budget, and denied by the House, to strengthen registration and enforcement activities related to "economic poisons" regulated under the Federal Insecticide, Fungicide, and Rodenticide Act, as amended.

The committee recommends \$4 million for the fire-ant eradication program. It has included \$1 million in the bill over the amount available in fiscal 1963 to accelerate this program. This is a cooperative cost-sharing program. The committee has also provided an increase over 1963 of \$1 million for the cooperative sheep scabies eradication program. These additional funds are to be matched dollar for dollar from cooperative sources.

MEAT INSPECTION

1963 appropriations.....	\$25, 907, 150
1964 budget estimate.....	28, 502, 000
House bill.....	27, 638, 000
Committee recommendation.....	28, 126, 250

The committee recommends an appropriation of \$28,126,250 for the mandatory meat inspection program, an increase of \$488,250 over the House bill, \$375,750 under the budget estimate, and \$2,-219,100 over the appropriations for fiscal 1963. The recommended appropriation includes an increase over 1963 of \$1,148,850 for the full amount of pay costs pursuant to Public Law 87-793, as requested in the estimate, and \$1,199,250 of the \$1,575,000 requested in the budget to extend meat inspection to new plants.

This committee does not concur with the view expressed in the House committee report that meat inspection is clearly a marketing activity, but agrees with the House committee that there would be improved operating coordination, efficiency, and economy if these inspection programs were consolidated in one agency. The committee is inclined to favor a consolidation of all meat inspection under the Agricultural Research Service, but does not have available to it all the information necessary to make a final decision. The committee recommends that the Secretary of Agriculture promptly restudy the consolidation of these two activities under the jurisdiction of one agency, and make a determination that will maintain standards of inspection and bring about better coordination, improved operating efficiency, and reduced administrative cost.

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

1963 appropriations.....	\$5, 265, 000
1964 budget estimate.....	2, 500, 000
House bill.....	0
Committee recommendation.....	2, 500, 000

The committee recommends an appropriation of \$2,500,000 as proposed in the estimate, but which was denied by the House for research overseas. This is a decrease of \$2,765,000 under the amount appropriated a year ago. The amount recommended will be used to finance agricultural research projects and finance the translation of scientific publications.

The unobligated balance of \$13.5 million from prior years has been committed for projects already developed and submitted for approval. The recommended appropriation will provide funds to enable project planning to continue. The research conducted from foreign currencies is not intended to duplicate or displace other research conducted by the Department and the Department states that foreign currencies would be used in excess foreign currency countries. The committee has restored to the bill the language proposed in the estimate.

COOPERATIVE STATE EXPERIMENT STATION SERVICE

PAYMENTS AND EXPENSES

1963 appropriation.....	\$38, 262, 950
1964 budget estimate.....	40, 383, 000
House bill.....	40, 383, 000
Committee recommendation.....	42, 883, 000

The committee recommends an appropriation of \$42,883,000 for the Cooperative State Experiment Station Service for payments to

agricultural experiment stations, and for other expenses under this appropriation item.

The total amount recommended for payments and grants to States is \$2,500,000 over the budget estimate, \$2,500,000 over the House bill, and is \$4,500,000 over the 1963 appropriation. Within the amount recommended is \$1 million as requested in the estimate and provided in the House bill to initiate a program of grants for cooperative forestry research, which was authorized by Public Law 87-788, approved October 10, 1962.

The committee increase over 1963 of \$3,500,000 for allocation to States under the regular formula is to be directed toward the adjustment of the salaries of research workers at the State experiment stations. The Federal Pay Act of 1962 (Public Law 87-793) provided for two increments of pay increase, one effective last October and the second one effective January 1964. The total cost for Federal and State salaries to bring about comparable pay adjustments for experiment station workers is estimated to be \$14.8 million. The Federal share of this cost for both increments is estimated to be \$3.5 million on a full-year basis and this is the amount which the committee recommends. Based upon previous experience, the committee believes the State legislatures will provide the States' share of the cost of these salary adjustments within a reasonable period of time, thereby maintaining an equitable relationship in pay for comparable work between Federal employees located at the State experiment stations and the employees of the State experiment stations who are paid in part from this appropriation item.

There is also included \$310,000 for penalty mail, and \$460,000 for Federal administration as proposed in the budget estimate and carried in the House bill.

EXTENSION SERVICE

COOPERATIVE EXTENSION WORK, PAYMENTS AND EXPENSES

1963 appropriations.....	\$63, 180, 800
1964 budget estimate.....	64, 590, 000
House bill.....	64, 590, 000
Committee recommendation.....	70, 000, 000

The committee recommends an appropriation of \$70 million for cooperative extension payments and expenses. This is an increase of \$6,410,000 over the amount available in 1963, \$5,410,000 over the estimate, and the amount provided in the House bill.

The committee intends that the increased funds be allocated to the States to adjust salaries of extension workers. The Federal pay legislation (Public Law 87-793) enacted in the last session of Congress provided for the pay adjustment of Federal employees' salaries in two increments—the first one last October and the second one next January. Based upon the figures supplied to the committee, the total estimated cost to make comparable salary adjustments for county extension agents amounts to \$15,683,000. The Federal share of both increments amounts to \$6,410,000 on a full-year basis, the amount recommended by the committee.

Based upon past experience, the committee believes the States and counties will provide their share, which is \$9,273,000, to bring about comparable salary adjustments for county extension workers.

RETIREMENT AND EMPLOYEE COMPENSATION FUND COSTS

1963 appropriations.....	\$6,765,000
1964 budget estimate.....	7,110,000
House bill.....	7,110,000
Committee recommendation.....	7,435,000

The committee recommends an appropriation of \$7,435,000 for retirement costs, an increase of \$670,000 over 1963. This is an increase of \$325,000 over the budget request and over the House bill.

The Senate increase of \$325,000 provides the additional increment required in retirement costs for the \$5,410,000 increase provided under the item "Payments and expenses" for cooperative extension work.

PENALTY MAIL

1963 appropriations.....	\$2,801,250
1964 budget estimate.....	3,113,000
House bill.....	3,113,000
Committee recommendation.....	3,113,000

An appropriation of \$3,113,000 is included for "Penalty mail." This is the amount of the budget request, the House bill, and an increase of \$311,750 over 1963.

FEDERAL EXTENSION SERVICE

1963 appropriations.....	\$2,597,450
1964 budget estimate.....	2,515,000
House bill.....	2,500,000
Committee recommendation.....	2,500,000

The committee recommends an appropriation of \$2,500,000 for the Federal Extension Service.

This office provides leadership and specialized assistance to State directors of extension and to the county extension service. The amount recommended is the amount carried in the House bill, and \$15,000 under the estimate. Under the revised formula of the Smith-Lever Act, there is provision that 4 percent of increases in "Payments to States" be available for administrative expenses of the Federal Extension Service. The committee requests that the applicability of this provision, resulting from increases in the payments to States, be limited in fiscal 1964 to the amount necessary to provide for mandatory pay costs.

FARMER COOPERATIVE SERVICE

SALARIES AND EXPENSES

1963 appropriations.....	\$1,155,900
1964 budget estimate.....	1,280,000
House bill.....	1,195,000
Committee recommendation.....	1,201,000

The Farmer Cooperative Service conducts research and performs advisory and educational services dealing with the organization, financing, management, and related operating problems of farmer cooperatives.

An appropriation of \$1,201,000 is recommended for fiscal 1964. This is an increase of \$45,100 over amounts available in 1963, and an increase of \$6,000 over the House bill to provide for mandatory pay costs. The committee concurred in the action by the House to deny an increase proposed in the budget of \$79,000 to strengthen research and technical assistance to cooperatives.

SOIL CONSERVATION SERVICE

The major programs administered by the agency are classified as conservation operations, watershed protection, flood prevention, the Great Plains conservation program, and resource conservation and development. The latter is a new activity pursuant to section 102, title I, Food and Agriculture Act of 1962.

CONSERVATION OPERATIONS

1963 appropriations.....	\$93, 975, 500
1964 budget estimate.....	99, 453, 000
House bill.....	97, 480, 000
Committee recommendation.....	99, 000, 000

For this item, the committee recommends an appropriation of \$99 million, an increase of \$5,024,500 over 1963, an increase of \$1,520,000 over the House bill, and \$453,000 below the budget estimate. The committee action provides \$3,072,000 for pay costs, and includes \$102,000 for operating costs of a plant materials center for the Coastal Plains on a site to be donated to the Government. The Administrator is expected to utilize the other increased amounts to meet the most essential program needs. The committee has not approved any funds for the conduct of new program activities.

Since most of the agricultural land area is now within organized districts, the committee expects that the future staffing of new districts will be achieved principally through the reassignment of existing personnel to meet such needs. Every effort should be made by the Administrator to improve the techniques of farm planning in order to achieve maximum productivity from existing personnel.

WATERSHED PROTECTION

1963 appropriations.....	\$61, 376, 350
1964 budget estimate.....	63, 992, 000
House bill.....	63, 222, 000
Committee recommendation.....	63, 992, 000

The committee recommends an appropriation of \$63,992,000 for the watershed protection program. This is the amount proposed in the budget request, \$770,000 over the House bill, and an increase in appropriation of \$2,615,650 over 1963. In addition, there is an estimated unobligated balance carried over from fiscal 1963 of \$7,363,000, making a total available in fiscal 1964 of \$71,355,000 for the activities financed from this appropriation item. Of this amount, an estimated \$62,541,600 will be available for loans, advance engineering, design, and construction. The committee recommends increases over 1963 of \$692,500 for mandatory pay costs and \$18,000 for postal costs pursuant to Public Law 87-793.

The watershed protection program, authorized under Public Law 566, as amended, is very popular in most areas of the Nation. The committee supports this program, but believes that appropriation requests should be kept in balance with the overall requirements of the program, and that the cost sharing under projects considered for planning should be more in line with the original intent of the act. The committee requests the Secretary of Agriculture to take steps necessary to assure that there is a better balance among the various

States in cost sharing on future small watershed projects submitted to Congress for approval. It directs the Secretary to notify the committee in regard to steps taken to bring about such adjustments in cost sharing in future projects.

The committee again notes that the planning of new watershed projects is far ahead of the construction phase. It recommends, therefore, that funds for this purpose be limited to \$5 million, instead of \$5,892,000 as proposed in the budget and approved by the House. In addition to the Federal financing for project investigations, the various States provide in excess of \$1.5 million for this purpose, thereby making a total of over \$6,500,000 for planning new watershed projects.

The committee recommends the use of not to exceed \$3,102,900 for the conduct of river basin surveys in cooperation with State and Federal agencies. This is the amount provided in the House bill, and an increase of \$1,060,000 over 1963, and \$451,100 under the budget request. The committee concurs in the allocation of these survey funds in accordance with the tabulation submitted by the Department.

The committee supports the development of comprehensive river basin resource surveys wherever it is evident that the results of such surveys will lead to the early development and installation of a coordinated water resource plan. It does not concur in extensive planning involving detailed and costly field investigations and structural designs for projects for which funds will not be appropriated for a number of years.

Previous experience in river basin surveys and planning has clearly demonstrated that specific structural designs soon become outmoded if such projects, which include local cooperation and cost sharing, are not placed under construction within a reasonable time period.

The committee expects the Bureau of the Budget to make a careful review of the current need for contemplated comprehensive basin studies undertaken by funds appropriated to the Department and carried out concurrently with other Federal agencies. The committee believes it is the responsibility of the Bureau of the Budget to assume the necessary leadership essential to coordinated river basin investigations by all agencies concerned. It expects that the Bureau of the Budget in making such a review will give consideration to the purpose, priority, and related factors, including cost, before authorizing requests for funds involving extensive and expensive surveys of any major river basin.

FLOOD PREVENTION

1963 appropriations.....	\$25,325,850
1964 budget estimate.....	25,576,000
House bill.....	25,465,000
Committee recommendation.....	25,465,000

An appropriation of \$25,465,000 is recommended for this program. This is the amount provided in the House bill, \$111,000 under the estimate, and an increase of \$139,150 over the 1963 appropriation. In addition, the Department estimates that there was an unobligated carryover from 1963 amounting to \$7,169,558, thus making a total of \$32,634,558 available in fiscal 1964 in the 11 major watersheds authorized under the act of 1944.

GREAT PLAINS CONSERVATION PROGRAM

1963 appropriations-----	\$12, 353, 550
1964 budget estimate-----	14, 640, 000
House bill-----	12, 994, 000
Committee recommendation-----	14, 640, 000

For the operations of the Great Plains conservation program, the committee recommends an appropriation of \$14,640,000. This is the amount of the budget estimate, an increase of \$1,646,000 over the House bill, and an increase of \$2,286,450 over the 1963 appropriation.

The increases over 1963 include \$109,450 for mandatory pay costs and \$2,177,000 for long-term cost-sharing contracts authorized under Public Law 1021, 84th Congress.

RESOURCE CONSERVATION AND DEVELOPMENT

1963 appropriations-----	0
1964 budget estimate-----	\$6, 275, 000
House bill-----	1, 200, 000
Committee recommendation-----	1, 200, 000

The committee recommends an appropriation of \$1,200,000 for this item. This is the amount carried in the House bill and a reduction of \$5,075,000 in the budget estimate.

This is a new program authorized under title I, section 102 of the Food and Agriculture Act of 1962, Public Law 87-703. The responsibilities assigned to the Soil Conservation Service under this new program include accelerated technical assistance, the development of area resource conservation development plans, and the approval of long-term loans where necessary to carry out resource conservation and development projects in selected areas of the country. The Secretary of Agriculture is authorized to have a free hand in the use of funds provided under this pilot program during fiscal 1964. The committee expects to receive a report from the Department on this program next year including the accomplishments under the pilot program together with specific plans of the Department for this new program.

ECONOMIC RESEARCH SERVICE

SALARIES AND EXPENSES

1963 appropriations-----	\$9, 511, 150
1964 budget estimate-----	10, 301, 000
House bill-----	9, 832, 000
Committee recommendation-----	9, 965, 700

The Economic Research Service, which was established effective April 3, 1961, pursuant to Secretary's Memorandum No. 1446, is responsible for the conduct of economic research studies and investigations for the benefit of agriculture and the general public. Research findings are made available through reports and other media. An appropriation of \$9,965,700 is recommended by the committee. This is an increase over the 1963 appropriations of \$454,550 and is \$335,300 under the budget estimate. The committee increases over 1963 include \$352,250 for the full amount of pay costs, and \$17,000 for postal costs pursuant to Public Law 87-793.

The committee concurs in increases proposed in the budget and carried in the House bill of \$203,300 for the expansion of research and improvement in statistics dealing with foreign trade expansion and problems related to the Common Market, and \$90,000 for strengthening estimates of farm income and production and related economic work.

STATISTICAL REPORTING SERVICE

SALARIES AND EXPENSES

1963 appropriations.....	\$10, 021, 850
1964 budget estimate.....	11, 552, 000
House bill.....	11, 079, 000
Committee recommendation.....	11, 486, 000

The Statistical Reporting Service is the agency of the Department responsible for statistical research and reporting of statistical data in regard to American agriculture. It conducts a variety of nationwide and specialized programs of crop and livestock estimates, and issues periodic and special reports on production and supply.

An appropriation of \$11,486,000 is recommended. This is an increase of \$1,464,150 over the 1963 appropriation and \$407,000 over the House bill, and \$66,000 under the budget estimate. The increases recommended by the committee over 1963 are: (1) \$264,750 for pay act costs as proposed in the budget and an increase of \$82,000 over the House; (2) \$122,400 for increased postal costs and reimbursement costs for mail surveys which have been previously handled by the Post Office Department on a nonreimbursable basis; (3) \$960,000 to extend to additional States the long-range crop and livestock estimates program. This amount is \$85,000 under the estimate and \$200,000 over the House bill but will enable the agency to carry forward the expanded program in all the States as proposed in the budget estimate; and (4) the committee has included an increase of \$125,000 to expand cattle-on-feed reports as follows: *Monthly*, Nebraska and Texas; *Quarterly*, Florida, Kentucky, Mississippi, and Tennessee.

The committee has given consideration to the inclusion of funds in the bill to initiate a Timber Price Reporting Service. A year ago, pursuant to the Statement of the Managers on the Conference Report on the Agricultural Appropriation Act, 1962, the Department of Agriculture submitted to the committee a favorable report as to the feasibility of such a price reporting service covering a minimum of 37 States. The committee hearings this year disclosed that the Department of Agriculture requested funds for the establishment of the service for fiscal 1964, but this request was not approved by the Bureau of the Budget. It is the hope of the committee that the Bureau of the Budget will reconsider its previous decision on this item. The committee expects the Department to make a showing in regard to this program next year, whether or not the funds are recommended in the budget estimate for this agency, in order that the committee will be provided with sufficient facts to determine whether it should make appropriations next year for the initiation of a Timber Price Reporting Service.

The attention of the committee has been directed to the feasibility of reporting crop estimates, by counties, on the principal crops. The agency is requested to examine the feasibility and cost of such crop estimates and to report its findings to the committee early next year.

AGRICULTURAL MARKETING SERVICE

MARKETING RESEARCH AND SERVICE

1963 appropriation.....	\$40, 897, 170
1964 budget estimate.....	44, 505, 000
House bill.....	37, 061, 000
Committee recommendation.....	44, 514, 100

The committee recommends an appropriation of \$44,514,100 to carry out marketing research and service activities. This is an increase of \$3,616,930 over 1963, \$9,100 over the estimate, and an increase over the House bill of \$7,453,100. The principal increase under this item over the House bill arises from the transfer of \$6,550,000 for marketing research from the item, "Salaries and expenses, research," under the Agricultural Research Service. The committee has restored these amounts to the bill as requested in the estimate. For pay costs pursuant to Public Law 87-793, the committee recommends \$1,435,930 for marketing research and service, an increase of \$615,400 over the House bill. The House requirement that 40 percent of the pay costs be absorbed would result in a corresponding decrease in the program increases described in the House report.

For mandatory poultry inspection, the committee recommends the budget request of an increase of \$350,000 over 1963, an increase of \$100,000 over the House bill, making a total of \$14,655,000 for this item. Other increases over 1963 are \$19,700 for mandatory reimbursement to the employees' compensation fund and \$163,000 for postal costs pursuant to Public Law 87-793.

It is the view of the committee that the Department should administer the Packers and Stockyards Act, as amended, in accordance with the legislative intent of the act and in accordance with published departmental regulations. Every effort should be made to protect producers, handlers, and stockyard companies covered by the act, and penalties for violations should be promptly invoked in accordance with established regulatory procedures under the act.

The committee has received testimony in support of acceleration of marketing research. It is evident that there is need to strengthen the modest program of marketing research under which improved marketing structures, equipment, containers, and work methods are requisite to the performance of a wide variety of commodity handling operations now required in the marketing and processing of agricultural products. Marketing research has developed improved methods of measuring, improving, and protecting quality in agricultural products from the time of harvest through to the ultimate consumer. Research of this type increases the productivity of labor, reduces waste, spoilage, and commodity deterioration, and helps to keep marketing costs as low as possible.

Marketing research makes a substantial contribution in helping the farmer receive a greater share of the retail food dollar through the development of many effective, efficient, and practical procedures, equipment, and facilities which are used by the packers, shippers, and handlers throughout the marketing system. The resultant efficiency and related improvements are of direct benefit to the consumer by providing him with more nutritious and wholesome foods at less cost.

The committee has received a number of specific proposals to strengthen marketing research and has included funds for the following items in the bill to accelerate marketing research: (1) \$50,000 increase for marketing research to determine the best methods and procedures of quality control for field-packed lettuce; (2) \$50,000 increase for quality research on citrus—this is the additional increment necessary to bring to full level the program of marketing research carried on in conjunction with research to improve mechanical harvesting aids for

citrus—and (3) \$15,000 increase for a cooperative rice market news service to be located at Crowley, La.

The committee has also included \$1,600,000, as proposed in the budget, for the construction of a peanut marketing and quality research laboratory to be located at Dawson, Ga. This is \$1,200,000 over the amount carried in the House bill, under "Research," Agricultural Research Service. Two years ago funds were appropriated for the development of plans and specifications for a peanut quality laboratory. Last year funds were denied for the construction of this facility due in part to a controversy which had developed in regard to the proposed research program to be undertaken at the facility. In the Senate hearings the Department has clearly reaffirmed its intent to give equitable treatment in the research program to each variety of peanuts produced and to the quality problems in regard to each major producing area.

The committee has inserted language in the bill as a part of the appropriation for this Laboratory: "That research investigations undertaken at the National Peanut Quality Evaluation Laboratory must be truly national in scope and must give equivalent treatment to the different types of peanuts produced and marketed in the major peanut producing areas." The committee believes that this provision ought to ease the mind of anyone concerned who has some misapprehension about the research to be undertaken at this facility, as well as those who imply that the Department of Agriculture might conduct a research program on any commodity which would not deal fairly with the producers and processors of different varieties or types, or give equal treatment to producers in each producing area.

The committee has included \$25,000 for a feasibility study to evaluate the need, purpose, and scope of a proposed wool quality research program, including the need for laboratory facilities.

Also included is \$25,000 for the same purpose in regard to the need, cost, and related pertinent factors relative to a national grain marketing research facility. The committee expects that both of these reports will be submitted to it prior to the hearings on the agricultural budget requests for fiscal year 1965.

Although the committee received considerable testimony in support of other meritorious projects for marketing research, it has not included any funds in the bill for these purposes.

PAYMENTS TO STATES AND POSSESSIONS

1963 appropriations.....	\$1, 425, 000
1964 budget estimate.....	1, 425, 000
House bill.....	1, 425, 000
Committee recommendation.....	1, 500, 000

The committee recommends an appropriation of \$1,500,000 which is an increase of \$75,000 over the budget estimate and the amount provided in the House bill. The increased funds under the cooperative matching fund program are to be used for research projects to improve grades, marketing standards, and marketing opportunities for agricultural commodities.

SPECIAL MILK PROGRAM

1963 appropriations.....	\$100, 000, 000
1964 budget estimate.....	102, 000, 000
House bill.....	100, 000, 000
Committee recommendation.....	100, 000, 000

The committee recommends an appropriation of \$100 million for expenses of the special milk program. This is the amount approved for 1963, the amount carried in the House bill for 1964, and is \$2 million under the estimate. The committee believes that this amount will provide adequate financing for the special milk program.

SCHOOL LUNCH PROGRAM

1963 appropriations-----	¹ \$125, 000, 000
1964 budget estimate-----	¹ 137, 000, 000
House bill-----	¹ 137, 000, 000
Committee recommendation-----	¹ 137, 000, 000

¹ In addition, \$45 million transfer from sec. 32, permanent appropriation.

The committee recommends an appropriation of \$137 million as requested in the estimate, and carried in the House bill for the expenses of the school lunch program. The \$12 million increase over 1963 is available for allocation to the States under revised school lunch formula, as provided in Public Law 87-823, approved October, 15, 1962.

REMOVAL OF SURPLUS AGRICULTURAL COMMODITIES (SEC. 32)

The committee recommends \$4,754,000 for the formulation and administration of marketing agreements and orders. This is the amount proposed in the budget request and provided in the House bill.

For the expenses of the pilot food stamp program the committee recommends \$51.5 million. This is the amount proposed in the budget request, and an increase of \$11.5 million over the House bill. It is the amount estimated to be required for the pilot food stamp program prior to the enactment of pending legislation.

The committee has stricken from the bill a legislative provision inserted by the House which apparently deals with domestic subsidy payments and also appears to limit existing law in regard to the amount available for purchase of any one commodity under the permanent authorization. The committee believes that the appropriate legislative committees should deal with any modification of the use of section 32 funds. There is pending legislation dealing with subsidy payments on cotton which would require upward of \$300 million annually, if enacted.

Last year, this committee directed the Department to discontinue the practice of using section 32 funds for unwarranted administrative purposes. The report of the committee last year did not contemplate any limitation upon the use of funds for surplus removal programs, including the administrative expenses directly related thereto.

FOREIGN AGRICULTURAL SERVICE

1963 appropriation-----	\$17, 135, 270
1964 budget estimate-----	19, 039, 000
House bill-----	18, 505, 000
Committee recommendation-----	19, 039, 000

The committee recommends an appropriation of \$19,039,000 for salaries and expenses for this agency. The amount recommended is the same as the budget estimate, an increase of \$1,903,730 over 1963, and \$534,000 over the amount carried in the House bill.

In addition, \$3,117,000 by transfer from section 32 for market development activities and \$1,417,000 by transfer from the limitation on administrative expenses of the Commodity Credit Corporation for sales manager activities and barter programs, make a total of \$4,534,000 available by transfer.

There is a balance of approximately \$4 million in the special foreign currency fund which was appropriated last year. This balance is available for use for market development programs, and expenses of the agricultural attachés and other agency employees overseas.

U.S. farm products last year totaled \$5.1 billion. Of this amount \$3.8 billion comprised exports for dollars. These amounts compare to an average of \$3.8 total and \$2.5 for cash for the 5 years 1955-59. This committee has consistently pressed for concentrated effort on expanding exports for dollars. Exports of agricultural commodities represent approximately one-fourth of total U.S. exports. The current balance-of-payment problem makes even more urgent the expansion of farm exports for dollars.

The legislative provisions providing for market development as a primary use of currencies derived from the sale of farm products under Public Law 480 in 1954 and the several amendments to that act along with the provisions inserted by this committee in the annual appropriation acts have given further effectiveness to market development. About one-sixth of our total farm production is being exported.

The progress which has been made provides a basis for more intense efforts to gain access to and expand export markets for agricultural commodities in dollar market areas. The building of foreign markets and the expansion of trade is not a short-time proposition. It is an operation which requires sustained effort over a longer period.

Most of the market development projects authorized by Public Law 480 are carried on cooperatively by the Foreign Agricultural Service and the more than 40 U.S. agricultural trade groups, and through them in cooperation with many foreign groups.

This cooperative effort between Government and private trade groups builds dollar markets through:

- Introduction of new commodities to the market.

- Demonstration of the availability and desirable qualities of U.S. products.

- Introducing new forms of commodities.

- Developing contacts with foreign trade channels and consumers to keep them conscious of U.S. farm commodities.

- Developing and bringing trade opportunities to the attention of U.S. exporters so that they may take advantage of them.

Areas which are not now dollar markets cannot be overlooked. Countries which only 3 to 5 years ago were the recipients of commodities under special programs have become strong dollar markets; for example, Italy and Spain. Also, by establishing the place of U.S. agricultural exports in newly developing countries they can be oriented toward U.S. trade. Once these ties are established they tend to become permanent. The committee notes that all of the FAS funds obligated overseas in 1963 for market development projects are being derived from Public Law 480 sources.

COMMODITY EXCHANGE AUTHORITY

SALARIES AND EXPENSES

1963 appropriations.....	\$1, 060, 950
1964 budget estimate.....	1, 095, 000
House bill.....	1, 093, 000
Committee recommendation.....	1, 095, 000

The Commodity Exchange Authority administers the Commodity Exchange Act, as amended. An appropriation of \$1,095,000 is recommended for fiscal 1964. This is the amount requested in the budget, and is a \$2,000 increase over the House bill and \$34,050 over amounts available in 1963. The entire increase over 1963 of \$34,050 is for pay costs pursuant to Public Law 87-793.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

EXPENSES, AGRICULTURAL STABILIZATION, AND CONSERVATION SERVICE

1963 appropriations.....	\$95, 423, 000
1964 budget estimate.....	114, 944, 000
House bill.....	105, 737, 000
Committee recommendation.....	107, 091, 400

With the funds made available under this appropriation item, a number of farm programs are administered, including acreage allotments and marketing quotas, the conservation reserve program, crop diversion programs, the agricultural conservation and land use adjustment programs, the Sugar Act program, price support, and related program activities.

An appropriation of \$107,091,400 is recommended for this item. The committee has partially restored the estimate by increasing the amount over the House bill by \$1,354,400 for pay and postal costs, thereby providing the full estimate of \$6,380,000 for these costs.

The amount included in the bill is an increase of \$11,668,400 over 1963 and is \$7,852,600 under the budget estimate and \$1,354,400 over the House bill. In addition, there is carried under this item provision to transfer from the Commodity Credit Corporation funds \$94,885,000, together with an estimated \$17.5 million from advances in reimbursements. Last year, the committee consolidated the former administrative expense limitations into this direct appropriation item and included language for the above transfer provisos. Under the committee recommendation, there will be available to the agency a total of \$219,476,400 for administrative expenses of the various farm programs administered under this appropriation.

The following provision has been inserted in the bill, under this appropriation item, dealing with employee activity and the use of committeemen:

: Provided further, That no part of the funds appropriated or made available under this Act shall be used, (1) to influence the vote in any referendum; (2) to influence agricultural legislation except as permitted in 18 U.S.C. 1913; or (3) for salaries or other expenses of members of county and community committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, for engaging in any activities other than advisory and supervisory duties and delegated program functions prescribed in administrative regulations.

SUGAR ACT PROGRAM

1963 appropriations.....	\$77, 650, 000
1964 budget estimate.....	80, 000, 000
House bill.....	78, 000, 000
Committee recommendation.....	78, 000, 000

An appropriation of \$78 million is recommended for payments to producers of sugarcane and sugarbeets who comply with requirements under the Sugar Act program. This is the amount carried in the House bill, and is \$2 million under the budget estimate, and an increase of \$350,000 over the 1963 appropriation.

The Department advises the committee that since the estimates for 1964 were developed, there has been a decrease in the estimated production, thereby providing a decrease of \$2 million in payment requirements during fiscal 1964.

AGRICULTURAL CONSERVATION PROGRAM

1963 appropriations.....	\$212, 900, 000
1964 budget estimate.....	220, 000, 000
House bill.....	215, 000, 000
Committee recommendation.....	215, 000, 000

The committee recommends an appropriation of \$215 million to finance the payments under the agricultural conservation program authorized a year ago. This is the same amount as carried in the House bill and is \$5 million under the budget request and an increase of \$2,100,000 over the 1963 appropriation.

The committee recommends an advance authorization of \$250 million for the 1964 program. This is the amount carried in the House bill, an increase of \$100 million over the budget estimate, and the same amount as authorized for the 1963 program.

The committee has stricken a House provision dealing with technical assistance on wetlands, and has inserted in lieu thereof a provision requiring that technical assistance for drainage of wetlands will be subject to the same conditions throughout the United States as provided by Public Law 87-732, approved October 2, 1962.

CONSERVATION RESERVE PROGRAM

1963 appropriations.....	\$304, 000, 000
1964 budget estimate.....	294, 000, 000
House bill.....	294, 000, 000
Committee recommendation.....	294, 000, 000

An appropriation of \$294 million is recommended for conservation reserve contract payments in fiscal 1964. This is the amount of the estimate, and the amount carried in the House bill. This is \$10 million under the 1963 appropriations for this program, for which appropriations will be required through fiscal 1972.

LAND-USE ADJUSTMENT PROGRAM

1963 appropriations.....	\$2, 000, 000
1964 budget estimate.....	19, 000, 000
House bill.....	10, 000, 000
Committee recommendation.....	12, 150, 000

The committee recommends an appropriation of \$12,150,000 for the land-use adjustment program. This is an increase of \$2,150,000 over the House bill and is \$6,850,000 under the budget request. The amount recommended will enable the agency to complete pay-

ments on the 1963 program. The total estimated cost of the 1963 program is \$8 million, of which \$1,850,000 was carried in the supplemental appropriation bill, 1963, and the balance is provided herein. Within the total amount provided is \$6 million for the cost of extension of conservation reserve contracts which expired December 31, 1962, which together with the \$150,000 provided in the supplemental appropriation bill, 1963, provides a total of \$6,150,000 for the cost of a 1-year extension of 701,000 of the 1.4 million acres on which conservation reserve contracts expired last year.

The committee understands that legislation is pending, (S. 1588), in regard to the current limitation of \$10 million annually on the pilot land-use adjustment program. The proposed legislation would include a provision that beginning with the 1964 program the size of the annual program limitation would be specified in advance in the appropriation act. The committee will consider the program authorization for 1964 after the pending legislation is enacted.

OFFICE OF RURAL AREAS DEVELOPMENT

SALARIES AND EXPENSES

1963 appropriations.....	\$87, 850
1964 budget estimate.....	134, 000
House bill.....	120, 000
Committee recommendation.....	120, 000

An appropriation of \$120,000 is recommended for the Office of Rural Areas Development. This is an increase of \$32,150 over 1963, the amount carried in the House bill, and \$14,000 under the budget estimate. In addition to the funds provided in this appropriation bill, an estimated \$350,000 will be available by transfer from the area development program, thereby making available \$470,000 for this office.

OFFICE OF THE GENERAL COUNSEL

SALARIES AND EXPENSES

1963 appropriations.....	\$3, 854, 600
1964 budget estimate.....	3, 987, 000
House bill.....	3, 953, 000
Committee recommendation.....	3, 987, 000

An appropriation of \$3,987,000 is recommended for the Office of General Counsel. This office conducts all of the legal work of the Department. This is an increase of \$132,400 over fiscal 1963, and a restoration of \$34,000 over the amount recommended in the House bill in order to provide the full amount for mandatory pay costs.

OFFICE OF INFORMATION

SALARIES AND EXPENSES

1963 appropriations.....	\$1, 662, 220
1964 budget estimate.....	1, 684, 000
House bill.....	1, 684, 000
Committee recommendation.....	1, 684, 000

The committee recommends an appropriation of \$1,684,000 as requested in the estimate and provided in the House bill. This is an increase of \$21,780 over 1963 to cover mandatory pay costs.

NATIONAL AGRICULTURAL LIBRARY

SALARIES AND EXPENSES

1963 appropriations.....	\$1, 185, 320
1964 budget estimate.....	1, 695, 000
House bill.....	1, 420, 000
Committee recommendation.....	1, 426, 140

An appropriation of \$1,426,140 is recommended for salaries and expenses to operate the National Agricultural Library. This is \$240,820 over the 1963 appropriation and \$268,860 under the budget estimate. The recommended increase of \$6,140 over the House bill is for mandatory pay costs.

LIBRARY FACILITIES

1963 appropriations.....	\$0
1964 budget estimate.....	450, 000
House bill.....	450, 000
Committee recommendation.....	450, 000

The committee recommends an appropriation of \$450,000 for the preparation of plans and specifications for a new agricultural library. The new library is needed to provide modern and adequate library facilities and services. It is estimated that the new facility will cost between \$6 and \$7 million. The recommended amount is the same as requested in the budget estimate and carried in the House bill.

GENERAL ADMINISTRATION

SALARIES AND EXPENSES

1963 appropriations.....	\$3, 397, 000
1964 budget estimate.....	3, 975, 000
House bill.....	3, 735, 000
Committee recommendation.....	3, 760, 550

This appropriation finances the administrative expenses of the immediate staff of the Office of the Secretary together with several staff activities, such as budgetary and fiscal administration, personnel administration, general service operations, management systems and appraisals, Office of Hearings Examiner, judicial officer, and other related activities including the National Agricultural Advisory Commission. The committee recommends an appropriation of \$3,760,550 for fiscal 1964. This is an increase of \$363,550 over 1963, and is \$214,450 under the budget estimate, and an increase of \$25,550 over the House bill, to provide the full amount required for pay costs.

By Secretary's Memorandum No. 1503 dated June 25, 1962, the Office of Audit and Investigations was established to coordinate within the Department the function of internal audit, inspection, and investigation activities. The Appropriation Act of 1963 carried a limitation of \$225,000 for this purpose, such funds to be derived by transfer from the various agencies in the Department. On December 21, 1962, by Secretary's Memorandum 1524, the Office of Inspector General was established. Pursuant to this latter memorandum all of the audit, inspection and investigation activities, including the personnel and funds therefor in the various agencies of the Department were transferred to and placed under the control and direction of the Office of Inspector General. These transfers amounted to 860 man-years of employment costing an estimated \$9,883,000 annually.

The Secretary, by Memorandum No. 1529, dated January 29, 1963, established the Office of Management Services to provide consolidated staff services for a number of agencies, with authority to transfer

personnel and the funds from the appropriations made to the respective agencies.

The committee expects that for fiscal 1965, the budget requests for the Office of Inspector General and for the Office of Management Services will be included under this appropriation item and justified thereunder as separate activities. For fiscal year 1964, the expenditures for the Office of Inspector General shall not exceed \$9,883,000, and expenditures for the Office of Management Services shall not exceed \$2,314,000, plus, for both offices, the increased pay act costs in 1964.

The committee has included a number of increases in the bill on the basis of the amount required for a full fiscal year. The Department is directed to withhold from use in 1964 that portion of any such increased activities applicable to the period July 1, 1963, to the date of enactment of the 1964 appropriation act.

TITLE II—CREDIT AGENCIES

RURAL ELECTRIFICATION ADMINISTRATION

ELECTRIFICATION LOAN PROGRAM

The success of the rural electrification program in bringing electricity to the farms and rural areas has been an outstanding development in the past quarter century. It has benefited both the rural and urban segments of the national economy. The electrification of rural areas brought to rural residents the advantages of modern living which city people had long enjoyed. Power-type equipment operated on farms has opened a vast market in manufacturing and commerce. Nonfarm employment opportunities have expanded. The rapid growth in the economy has in large part developed from the contribution that REA-financed electrification loans has brought to the rural areas.

During the course of the hearings this year, the committee had presented to it, as it has in the past, widely divergent views with respect to REA loans for generation and transmission facilities.

As previously stated, this committee believes that both the rural electric cooperatives and the private power companies who furnish most of the supply of energy needed to serve the electric cooperatives are here to stay and they should make every effort to enter into earnest negotiations in reaching power supply contracts because it is to the mutual advantage of the cooperatives and the private companies to enter into satisfactory power supply arrangements.

The committee recognizes that the House recommended a new procedure for REA after hearing the differing points of view surrounding the loans made by the Rural Electrification Administration for generation and transmission purposes.

This committee concurs with the recommendations set forth in the House committee report, to wit:

Before public funds are loaned for power generation or transmission, the Rural Electrification Administrator, in connection with any such loan, should:

- (1) Make a survey and determine wherein the existing contract for power or the proposed contract is unreasonable;
- (2) Advise the supplier wherein such contract is unreasonable; and
- (3) Attempt to get such contract modified to make it reasonable.

Loans should be made only when reasonable contracts cannot be obtained.

With regard to any further generation and major transmission loan approved in excess of \$2,000,000, the Administrator shall certify to the Secretary of Agriculture, the Comptroller General, and the Congress, that each of these steps has been taken and that the private supplier had been given an opportunity to make the contract reasonable, specifying the details, and had refused or failed to do so.

The Administrator also shall furnish the Comptroller General and the Congress on the date of approval of each such loan application, the following information:

(1) The name and address of the applicant borrower and the date of the application.

(2) Description and estimated cost of the proposed generation facilities. Indicate if the proposed facilities are the initial or additional unit or units of a plant comprised of one or more units.

(3) Description and estimated cost of proposed transmission facilities, including any immediate or future plans to interconnect with other transmission systems.

(4) Description of any long-range plans the applicant may have for construction of additional generation and transmission facilities and the estimated cost of the planned facilities.

(5) Comparison of the estimated costs of generation by the applicant borrower with the cost of power available from existing suppliers, including the final offer by the private supplier including terms and conditions he offered to meet applicant's long-term energy needs.

(6) Summary of the efforts made by the applicant and by REA to obtain the applicant's power and energy requirements from existing power suppliers and the reasons why such efforts have not been successful.

(7) Explanation of the applicant's reasons for seeking an REA loan.

(8) The amount of electric energy which the applicant will cease to purchase from present power suppliers upon construction of the generating plant for which REA financing is being sought.

(9) Explanation of the extent to which the feasibility of the requested loan for generation and transmission facilities depends upon the use of a portion of the facilities by others (including Federal power marketing agencies).

(10) Details of the applicant's plans to sell or otherwise make available any of the power and energy from the proposed generation facilities to others (including Federal power marketing agencies).

(11) Names of State agencies and commissions having jurisdiction over the applicant borrowers.

With respect to each generation and transmission loan application, processed by REA in accordance with the foregoing procedures, the Administrator should, in order to avoid dilatory tactics or protracted delays on the part of either party in such negotiations, establish a publicly announced period of time during which the survey, determinations, and negotiations will be carried on prior to a definite cutoff date set by the Administrator.

The committee is opposed to the imposition of dual rates in power supply contracts and believes that the cooperatives should state their needs clearly and concretely, and that the suppliers of power should in turn clearly set forth the terms and conditions of power supply contracts.

The committee expects the Administrator to examine into all complaints which may come to his attention concerning territorial disputes between REA cooperatives and commercial power companies, except in States having adequate statutory provisions for determining territorial and service rights, and report to the committee in January of each year the salient facts involved, the disposition of the complaints, and the basis for such dispositions.

The committee instructs the Administrator of REA to report to both the Senate and House Appropriations Committees in writing 60 days in advance of approving allocations of funds for acquiring or building generating plants of over \$2 million and major transmission lines, and such other information as the committee may request.

SECTION V. LOANS

The committee concurs in the recommendations in the House committee report that the Administrator of REA should not make section V loans in competition with private sources of credit, or as a replacement or substitution for loan funds available under the Area Redevelopment Act, Public Law 87-27. Such loans should be very limited. The committee requests the Administrator of REA to provide it with a summary of pending section V loan applications as well as a copy of his certification to the Secretary on the necessity for making these loans.

LOAN AUTHORIZATIONS

1963 appropriations.....	(\$480, 000, 000)
1964 budget estimate.....	(495, 000, 000)
House bill.....	(495, 000, 000)
Committee recommendation.....	(495, 000, 000)

A total of \$495 million of loan authorization is recommended for the electrification and telephone programs administered by the Rural Electrification Administration. The total amount recommended is the amount requested in the budget estimate and as approved in the House bill.

New loan authorization of \$425 million for the rural electrification program is recommended. This is the amount requested in the budget estimate and carried in the House bill. It is an increase of \$25 million of the 1963 authorization. The committee concurs in the action by the House to place \$150 million of this amount in the contingency reserve. For the telephone program, the committee recommends new authorization of \$70 million, as requested in the budget estimate and carried in the House bill. In addition, there is an estimated carryover of \$40.7 million from fiscal 1963 making available a total of \$110.7 million for the telephone loan program.

SALARIES AND EXPENSES

1963 appropriations.....	\$10, 442, 200
1964 budget estimate.....	11, 344, 000
House bill.....	11, 162, 000
Committee recommendation.....	11, 287, 000

For administrative expenses of the Rural Electrification Administration, the committee recommends that \$11,287,000 be appropriated, an increase of \$844,800 over 1963, and an increase of \$125,000 over the House bill, and \$57,000 under the budget estimate.

The committee increases provide \$573,740 for pay costs, and \$271,060 to strengthen agency field staff to carry out administrative requirements in connection with the electrification loan program.

FARMERS HOME ADMINISTRATION

DIRECT LOAN ACCOUNT

1963 appropriations.....	(\$340, 000, 000)
1964 budget estimate.....	(360, 000, 000)
House bill.....	(360, 000, 000)
Committee recommendation.....	(360, 000, 000)

The direct loan account was established in fiscal 1962 pursuant to the Consolidated Farmers Home Administration Act of 1961.

The committee recommends an authorization of \$60 million for real estate loans as proposed in the budget and carried in the House bill. This is an increase of \$10 million over fiscal 1963, and the amount proposed in the budget request and carried in the House bill. For farmownership loans \$45 million is approved, an increase of \$5 million over 1963. An increase of \$5 million is also approved for soil and water conservation loans making \$15 million available. The committee recommends an authorization of \$300 million for farm-operating loans, as proposed in the estimate and carried in the House bill, an increase of \$10 million over 1963. The committee has approved the contingency reserve of \$50 million inserted by the House and provided in previous years. The committee believes the reserve fund will provide for the orderly control and use of the total amount of loan authorization throughout the entire fiscal year.

RURAL HOUSING LOANS

The committee recommends inclusion in the bill of a provision to increase the limitation on the authorization under section 511 of the Housing Act of 1949, as amended, for rural housing loans by \$25 million. This additional amount, together with approximately \$150 million carried forward into fiscal 1964, will only provide about one-half of the loan authorization required for this program, if it is carried

out in accordance with the President's program. The committee directs the Department to utilize this new authorization, and the remaining borrowing authority as expeditiously as required to meet the demand for rural housing building loans.

The provision recommended by the committee follows:

RURAL HOUSING LOANS

For rural housing loans, \$25,000,000, to be made available in addition to and in the same manner and under the terms and conditions applicable to funds provided under Section 511 of the Housing Act of 1949, as amended.

RURAL RENEWAL

1963 appropriations.....	(1)
1964 budget estimate.....	\$2, 350, 000
House bill.....	1, 000, 000
Committee recommendation.....	1, 350, 000

¹ New program.

The committee recommends an appropriation of \$1,350,000 to initiate the program of technical assistance and financial assistance to public agencies as authorized under the rural renewal program by section 102 of the Food and Agriculture Act of 1962, loans. This appropriation will provide for a few pilot projects to be undertaken in areas of chronic underemployment. In order for a designated area or group within such area to obtain a loan from the agency for development purposes it must be designated by the appropriate State and local authorities. The appropriation of \$1,350,000 is \$1 million under the estimate and \$350,000 over the amount recommended in the House bill. The committee believes this amount will be adequate to initiate this new program.

RURAL HOUSING FOR THE ELDERLY REVOLVING FUND

1963 appropriations.....	\$1, 000, 000
1964 budget estimate.....	5, 000, 000
House bill.....	2, 000, 000
Committee recommendation.....	3, 500, 000

The Senior Citizens Housing Act of 1962, approved September 28, 1962, authorizes an appropriation of not to exceed \$50 million for a revolving fund to finance loans to private nonprofit corporations and consumer cooperatives to provide rental housing facilities for elderly persons of low income in rural areas.

The committee has approved an appropriation of \$3,500,000, an increase of \$1,500,000 over the House bill and \$1,500,000 under the budget estimate.

SALARIES AND EXPENSES

1963 appropriations.....	\$35, 778, 900
1964 budget estimate.....	39, 367, 000
House bill.....	38, 367, 000
Committee recommendation.....	39, 367, 000

An appropriation of \$39,367,000 is recommended for administrative expenses. This is the amount of the budget estimate, an increase of \$1 million over the House bill and an increase of \$3,588,100 over 1963.

The committee believes that adequate administrative funds should be provided to enable the agency to strengthen field offices and to enable the agency to meet the demands of increased loan volume.

TITLE III—CORPORATIONS

FEDERAL CROP INSURANCE CORPORATION

ADMINISTRATIVE AND OPERATING EXPENSES

1963 appropriations.....	\$6, 799, 000
1964 budget estimate.....	7, 210, 000
House bill.....	6, 950, 000
Committee recommendation.....	7, 210, 000

The committee recommends a total of \$10,690,000 for the administrative and operating expenses of the Federal Crop Insurance Corporation. The amounts recommended are the same as the budget estimate, and an increase of \$210,000 over the amounts provided in the House bill, and \$625,750 over 1963.

The direct appropriation is recommended at \$7,210,000, and \$3,480,000 is recommended from the limitation in the Federal Crop Insurance Corporation fund.

The action by the committee provides the following increases: \$258,750 for mandatory pay costs and \$367,000 for expansion of the experimental insurance program. The House bill had recommended an absorption of \$89,000 in pay costs, or 40 percent, and had reduced the funds for program acceleration by \$121,000.

The funds provided herein will enable the program to be offered in a total of 1,196 counties, an increase of 100 counties over 1963, and will authorize an increase in the number of county programs from 2,371 to 2,671. The funds recommended will enable the Corporation to increase the number of commodities insured from 20 to 23.

In planning its experimental program, the committee recommends that attention be given to expansion of the experimental insurance program on tung nuts, and to pears and apples produced in the Pacific coast area.

COMMODITY CREDIT CORPORATION

REIMBURSEMENT FOR NET REALIZED LOSSES

1963 appropriations.....	\$2, 278, 455, 000
1964 budget estimate.....	2, 799, 400, 000
House bill.....	2, 500, 000, 000
Committee recommendation.....	2, 699, 400, 000

The committee recommends an appropriation of \$2,699,400,000 to partially reimburse the Commodity Credit Corporation for net realized losses incurred in fiscal 1963 for price support, export, supply,

and related programs. The amount recommended is \$420,945,000 over the 1963 appropriation, and is \$100 million under the amount requested in the budget estimate, and \$199,400,000 over the amount carried in the House bill. This appropriation is recommended pursuant to the provisions of Public Law 87-155, approved August 17, 1961.

LIMITATION ON ADMINISTRATIVE EXPENSES

1963 appropriations-----	(\$43, 188, 500)
1964 budget estimate-----	(41, 650, 000)
House bill-----	(41, 650, 000)
Committee recommeration-----	(41, 650, 000)

The committee recommends an administrative expense limitation of \$41,650,000 for expenses of the Commodity Credit Corporation. This is the amount requested in the budget estimate and carried in the House bill. The amount is \$1,538,500 under the 1963 expense limitation, and the reduction is due primarily to savings resulting from the elimination of three field commodity offices.

TITLE IV—FOREIGN ASSISTANCE PROGRAMS

Under this title of the bill are carried the appropriations to reimburse the Commodity Credit Corporation for costs incurred in carrying out foreign assistance programs authorized under various titles of Public Law 480, as amended, and for the expenses and costs incurred under the International Wheat Agreement Act; and for the reimbursement to the Commodity Credit Corporation for costs of bartered materials transferred to the supplemental stockpile, pursuant to Public Law 84-540. The basic authorities under the various titles of Public Law 480 establish the limitation on the size of programs for which appropriations are authorized to be made to the Commodity Credit Corporation to reimburse it for costs incurred.

Under title IV of this bill the committee has recommended total appropriations for fiscal 1964 of \$1,721,667,000. This amount is \$363,355,000 under the 1963 appropriations totaling \$2,085,022,000, and is \$200 million under the budget estimate, and \$167,377,000 under the House bill. The respective amounts for each item are described below.

PUBLIC LAW 480

Under title I—sales of agricultural commodities for foreign currencies—the committee recommends an appropriation of \$1,252 million. The amount recommended is \$336,804,000 under the 1963 appropriations, and is \$200 million under the estimate and the House bill. The reduction by the committee does not in any way establish

a limitation on the program authorization which sets forth the maximum amount of agreements in any one calendar year for which reimbursement appropriations will be required.

Under title II—for costs of emergency famine relief—an appropriation of \$215,451,000 is recommended. This is \$34,549,000 under the 1963 appropriation and is the amount carried in the budget estimate and the House bill.

Under title IV—for long-term supply contracts—an appropriation of \$79 million is recommended. This is \$39 million over the 1963 appropriation, the amount of the budget request, and \$26,485,000 over the House bill. Within the amount recommended, \$12,515,000 is for prior-year costs, and \$66,485,000 is for estimated costs in fiscal 1964.

The committee believes that use of this authority should be encouraged in preference to sales for foreign currencies, provided the contracts entered into for the sale of surplus agricultural commodities embody definite terms on delivery dates and on repayment schedules. If carefully administered, this program may become an effective means for the long-range development of foreign markets for agricultural commodities.

INTERNATIONAL WHEAT AGREEMENT ACT

The committee recommends an appropriation of \$92,356,000 for expenses of the International Wheat Agreement Act. This is \$11,138,000 over the 1963 appropriation and the amount of the estimate, and an increase of \$6,138,000 over the amount carried in the House bill. The amount provided includes \$20,656,000 of uncovered 1963 costs and \$71,700,000 of estimated costs for fiscal 1964. Under this program the Commodity Credit Corporation makes available wheat or wheat flour to carry out the provisions of the agreement, including the payment-in-kind to the exporter for the difference between the prevailing sales price of wheat under the agreement and the market price.

BARTERED MATERIALS FOR SUPPLEMENTAL STOCKPILE

An appropriation of \$82,860,000 is recommended for costs to the Commodity Credit Corporation of the value of agricultural commodities exchanged for strategic and other materials which are transferred to the supplemental stockpile. This program was authorized under title II of the Agricultural Act of 1956. The amount recommended is \$42,140,000 under the amount in the 1963 Appropriation Act, and is the amount requested in the estimate and provided in the House bill. Within the recommended amount is \$21,360,000 for prior-year costs, making \$61,500,000 available for estimated costs in fiscal 1964.

TITLE V

FARM CREDIT ADMINISTRATION

LIMITATION ON ADMINISTRATIVE EXPENSES

1963 appropriations-----	(\$2, 631, 500)
1964 budget estimate-----	(2, 785, 000)
House bill-----	(2, 785, 000)
Committee recommendation-----	(2, 785, 000)

The committee recommends an administrative expense limitation of \$2,785,000 for the operation of the Farm Credit Administration. This is the amount of the budget estimate, and the amount approved by the House. The increase of \$153,500 over 1963 is for pay costs pursuant to Public Law 87-793.

The Farm Credit Administration is a supervisory agency established to provide the banks and associations of the farm credit system with centralized and coordinated supervision and examination and related services deemed essential to the operation of the system in its progress toward becoming wholly farmer owned.

**COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1963 AND ESTIMATES AND AMOUNTS RECOMMENDED
IN BILL FOR 1964**

TITLE I—GENERAL ACTIVITIES

Item	Appropriations, 1963 (including supplementals)	Budget esti- mates, 1964	Recommended in House bill for 1964	Amount recom- mended by Senate com- mittee	Increase (+) or decrease (-), Senate bill com- pared with—		
					Appropriations, 1963	Budget esti- mates, 1964	House bill
Agricultural Research Service:							
Salaries and expenses:							
Research.....	1 \$88,182,550	1 \$90,554,000	\$94,445,000	1 \$91,811,700	+\$3,629,150	+\$1,257,700	-\$2,633,300
Plant and animal disease and pest control.....	59,504,980	65,148,000	59,505,000	66,821,500	+7,316,520	+1,673,500	+7,316,500
Meat inspection.....	25,907,150	28,502,000	27,638,000	28,126,250	+2,219,100	-375,750	+488,250
Total.....	2 173,594,680	2 184,204,000	2 181,588,000	2 186,759,450	+13,164,770	+2,555,450	+5,171,450
Salaries and expenses (special foreign currency program).....	5,265,000	2,500,000	-----	2,500,000	-2,765,000	-----	+2,500,000
Total, Agricultural Research Service.....	178,859,680	186,704,000	181,588,000	189,259,450	+10,399,770	+2,555,450	+7,671,450
Cooperative State Experiment Station Service: Payments and expenses.....	38,262,950	40,383,000	40,383,000	42,883,000	+4,620,050	+2,500,000	+2,500,000
Extension Service:							
Payments to States and Puerto Rico.....	63,180,800	64,590,000	64,590,000	70,000,000	+6,819,200	+5,410,000	+5,410,000
Retirement costs for extension agents.....	6,765,000	7,110,000	7,110,000	7,435,000	+670,000	+325,000	+325,000
Penalty mail.....	2,801,250	3,113,000	3,113,000	3,113,000	+311,750	-----	-----
Federal Extension Service.....	2,597,450	2,515,000	2,500,000	2,500,000	-97,450	-15,000	-----
Total, Extension Service.....	75,344,500	77,328,000	77,313,000	83,048,000	+7,703,500	+5,720,000	+5,735,000
Farmer Cooperative Service.....	1,155,900	1,280,000	1,195,000	1,201,000	+45,100	-79,000	+6,000

Soll Conservation Service:									
Conservation operations-----	93,975,500	99,453,000	97,480,000	99,000,000	+5,024,500	-453,000	+1,520,000		
Watershed protection-----	61,376,350	63,992,000	63,222,000	63,992,000	+2,615,650		+770,000		
Flood prevention-----	25,325,850	25,576,000	25,405,000	25,405,000	+139,150	-111,000			
Great Plains conservation program-----	12,353,550	14,640,000	12,994,000	14,640,000	+2,286,450		+1,646,000		
Resource conservation and development-----		6,275,000	1,200,000	1,200,000	+1,200,000	-5,075,000			
Total, Soll Conservation Service-----	193,031,250	209,936,000	200,361,000	204,297,000	+11,265,750	-5,639,000	+3,936,000		
Economic Research Service: Salaries and expenses-----	9,511,150	10,301,000	9,832,000	9,965,700	+454,550	-335,300	+133,700		
Statistical Reporting Service: Salaries and expenses-----	10,021,850	11,552,000	11,079,000	11,486,000	+1,464,150	-66,000	+407,000		
Agricultural Marketing Service:									
Marketing Research and Service-----	\$ 40,897,170	\$ 44,505,000	37,061,000	\$ 44,514,100	+3,616,930	+9,100	+7,453,100		
Construction of facilities-----		(¹)							
Payments to States and possessions-----	1,425,000	1,425,000	1,425,000	1,500,000	+75,000	+75,000	+75,000		
Special milk program-----	100,000,000	102,000,000	100,000,000	100,000,000		-2,000,000			
School lunch program-----	\$ 125,000,000	\$ 137,000,000	\$ 137,000,000	\$ 137,000,000	+12,000,000				
Total, Agricultural Marketing Service-----	267,322,170	284,930,000	275,486,000	283,014,100	+15,691,930	-1,915,900	+7,523,100		
Foreign Agricultural Service:									
Salaries and expenses-----	7 17,135,270	7 19,039,000	7 18,505,000	7 19,039,000	+1,903,730		+534,000		
Salaries and expenses (special foreign currency program)-----	3,994,000				-3,994,000				
Total, Foreign Agricultural Service-----	21,129,270	19,039,000	18,505,000	19,039,000	-2,090,270		+534,000		
Commodity Exchange Authority-----	1,060,950	1,095,000	1,093,000	1,095,000	+34,050		+2,000		

¹ Excludes "marketing research" and "construction of facilities," merged by House ing Service, which were merged by the House under "salaries and expenses," Agricultural Research Service.
² In addition, \$1,000,000 reappropriated for contingency fund.
³ Includes funds for "Marketing research," as carried in the Appropriation Act, 1963, and estimated 1964, but merged in the House bill under "Salaries and expenses," Agricultural Research Service.
⁴ Includes \$1,600,000, estimated under "Construction of facilities," merged by House under "Salaries and expenses," Agricultural Research Service, and merged herein under this head.
⁵ Estimate considered under the item "Marketing research and service."
⁶ In addition, \$45,000,000 transfer from sec. 32 funds authorized for purchase and distribution of food.
⁷ In addition \$3,117,000 transfer from sec. 32 funds is authorized.

Comparative statement of appropriations for 1963 and estimates and amounts recommended in bill for 1964—Continued

TITLE I—GENERAL ACTIVITIES—Continued

Item	Appropriations, 1963 (including supplementals)	Budget esti- mates, 1964	Recommended in House bill for 1964	Amount recom- mended by Senate com- mittee	Increase (+) or decrease (-), Senate bill com- pared with—		
					Appropriations, 1963	Budget esti- mates, 1964	House bill
Agricultural Stabilization and Conservation Service:							
Expenses, Agricultural Stabilization and Conservation Service.....	\$ 95,423,000	\$ 114,944,000	\$ 105,737,000	\$ 107,091,400	+\$11,668,400	-\$7,852,600	+\$1,354,400
Sugar Act program.....	77,650,000	80,000,000	78,000,000	78,000,000	+350,000	-2,000,000	-----
Agricultural conservation program.....	212,900,000	220,000,000	215,000,000	215,000,000	+2,100,000	-5,000,000	-----
Conservation reserve program.....	304,000,000	294,000,000	294,000,000	294,000,000	-10,000,000	-----	-----
Land-use adjustment program.....	2,000,000	\$ 19,000,000	10,000,000	12,150,000	+10,150,000	-6,850,000	+2,150,000
Total, Agricultural Stabilization and Conservation Service.....	691,973,000	727,944,000	702,737,000	706,241,400	+14,268,400	-21,702,600	+3,504,400
Office of Rural Areas Development.....	87,850	134,000	120,000	120,000	+32,150	-14,000	-----
Office of the General Counsel.....	3,854,600	3,987,000	3,953,000	3,987,000	+132,400	-----	+34,000
Office of Information.....	1,662,220	1,684,000	1,684,000	1,684,000	+21,780	-----	-----
National Agricultural Library:							
Salaries and expenses.....	1,185,320	1,695,000	1,420,000	1,426,140	+240,820	-268,860	+6,140
Library facilities.....	-----	450,000	450,000	450,000	+450,000	-----	-----
General administration.....	10 3,397,000	3,975,000	3,735,000	3,760,550	+363,550	-214,450	+25,550
Total, title I, general activities.....	1,497,859,660	1,582,417,000	1,530,934,000	1,562,957,340	+65,097,680	-19,459,660	+32,023,340

TITLE II—CREDIT AGENCIES

Rural Electrification Administration:									
Loan authorizations:									
Electrification.....	11 (\$400,000,000)	12 (\$425,000,000)	13 (\$425,000,000)	13 (\$425,000,000)	(+ \$25,000,000)				
Telephone.....	(80,000,000)	(70,000,000)	(70,000,000)	(70,000,000)	(-10,000,000)				
Total, loan authorizations.....	(480,000,000)	(495,000,000)	(495,000,000)	(495,000,000)	(+15,000,000)				
Salaries and expenses.....	10,442,200	11,344,000	11,162,000	11,287,000	+844,800				+ \$125,000
Total, Rural Electrification Administration.....	10,442,200	11,344,000	11,162,000	11,287,000	+844,800				+125,000
Farmers Home Administration:									
Direct loan account:									
Real estate loans.....	(50,000,000)	(60,000,000)	(60,000,000)	(60,000,000)	(+10,000,000)				
Operating loans.....	14 (290,000,000)	(300,000,000)	14 (300,000,000)	(300,000,000)	(+10,000,000)				
Total, direct loan account.....	(340,000,000)	(360,000,000)	(360,000,000)	(360,000,000)	(+20,000,000)				
Rural Housing Loans (authorization).....									(+25,000,000)
Rural renewal.....		2,350,000	1,000,000	1,350,000	-1,000,000				+350,000
Rural housing for the elderly revolving fund.....	1,000,000	5,000,000	2,000,000	3,500,000	+2,500,000				+1,500,000
Salaries and expenses.....	35,778,900	39,367,000	38,367,000	39,367,000	+3,688,100				+1,000,000
Total, Farmers Home Administration.....	36,778,900	46,717,000	41,367,000	44,217,000	+7,438,100				+2,850,000
Total, title II, credit agencies:									
Loan authorizations.....	(820,000,000)	(855,000,000)	(855,000,000)	(855,000,000)	(+35,000,000)				
Direct appropriation.....	47,221,100	58,061,000	52,529,000	55,504,000	+8,282,900				+2,975,000

⁸ In addition, transfers from Commodity Credit Corporation provided as follows:

Fiscal year 1963, \$81,379,500; fiscal year 1964, \$94,885,000.

⁹ Original estimate of \$27,000,000 revised by H. Doc. No. 81, dated Mar. 12, 1963.

¹⁰ In addition, \$225,000 transfer from other appropriations authorized.

¹¹ Includes \$100,000,000 contingency authorization.

¹² Includes \$75,000,000 contingency authorization.

¹³ Includes \$150,000,000 contingency authorization.

¹⁴ Includes \$50,000,000 contingency authorization.

¹⁵ In addition, an estimated \$160,000,000 is available from prior authorizations.

Comparative statement of appropriations for 1963 and estimates and amounts recommended in bill for 1964—Continued

TITLE III—CORPORATIONS

Item	Appropriations, 1963 (including supplementals)	Budget esti- mates, 1964	Recommended in House bill for 1964	Amount recom- mended by Senate com- mittee	Increase (+) or decrease (-), Senate bill com- pared with—		
					Appropriations, 1963	Budget esti- mates, 1964	House bill
Federal Crop Insurance Corporation:							
Administrative and operating expenses:							
Appropriation.....	\$6,799,000	\$7,210,000	\$6,950,000	\$7,210,000	+\$411,000	-----	+\$260,000
Premium income.....	(3,265,250)	(3,480,000)	(3,530,000)	(3,480,000)	(+214,750)	-----	(-50,000)
Total, Federal Crop Insurance Corporation.....	6,799,000	7,210,000	6,950,000	7,210,000	+411,000	-----	+260,000
Commodity Credit Corporation:							
Reimbursement for net realized losses.....	2,278,455,000	2,799,400,000	2,500,000,000	2,699,400,000	+420,945,000	-\$100,000,000	+199,400,000
Reimbursement for special milk program.....	92,243,150	-----	-----	-----	-92,243,150	-----	-----
Limitation on administrative expenses.....	(43,188,500)	13 (41,650,000)	(41,650,000)	(41,650,000)	(-1,538,500)	-----	-----
Total, Commodity Credit Corporation.....	2,370,698,150	2,799,400,000	2,500,000,000	2,699,400,000	+328,701,850	-100,000,000	+199,400,000
Total, title III, corporations.....	2,377,497,150	2,806,610,000	2,506,950,000	2,706,610,000	+329,112,850	-100,000,000	+199,660,000

TITLE IV—FOREIGN ASSISTANCE PROGRAMS

Public Law 480:									
Sales for local currency-----									
	\$1,588,804,000	\$1,452,000,000	\$1,452,000,000	\$1,252,000,000	-\$336,804,000	-\$200,000,000	-\$200,000,000	-\$200,000,000	-\$200,000,000
Emergency famine relief-----									
	250,000,000	215,451,000	215,451,000	215,451,000	-34,549,000	-----	-----	-----	-----
Long-term supply contracts-----									
	40,000,000	79,000,000	52,515,000	79,000,000	+39,000,000	-----	-----	-----	+26,485,000
Total, Public Law 480-----									
	1,878,804,000	1,746,451,000	1,719,966,000	1,546,451,000	-332,353,000	-200,000,000	-200,000,000	-173,515,000	-173,515,000
International Wheat Agreement-----									
	81,218,000	92,356,000	86,218,000	92,356,000	+11,138,000	-----	-----	-----	+6,138,000
Bartered materials for supplemental stockpile-----									
	125,000,000	82,860,000	82,860,000	82,860,000	-42,140,000	-----	-----	-----	-----
Total, title IV, foreign assistance programs-----									
	2,085,022,000	1,921,667,000	1,889,044,000	1,721,667,000	-363,355,000	-200,000,000	-200,000,000	-167,377,000	-167,377,000

TITLE V—RELATED AGENCIES

Farm Credit Administration: Limitation on administrative expenses.....	(\$2,631,500)	(\$2,785,000)	(\$2,785,000)	(\$2,785,000)	(+ \$153,500)	-----	-----	-----
Total, title V, related agencies.....	(2,631,500)	(2,785,000)	(2,785,000)	(2,785,000)	(+153,500)	-----	-----	-----

SUMMARY OF THE BILL

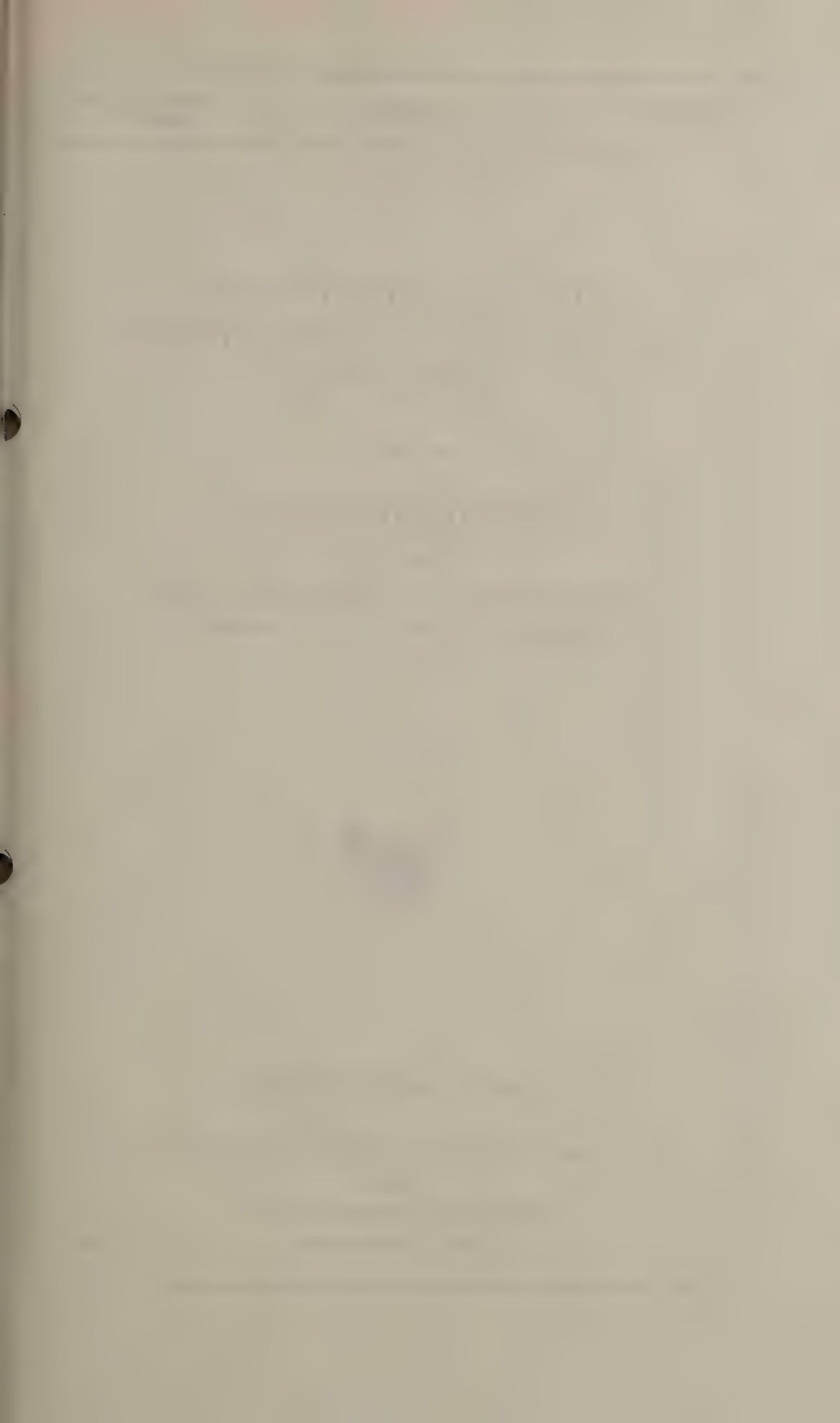
Total appropriations:									
Title I—General activities-----									
	\$1,497,859,660	\$1,582,417,000	\$1,530,934,000	\$1,562,957,340	+\$65,097,880	-\$19,459,660	-\$19,459,660	+\$32,023,340	
Title II—Credit agencies-----									
	47,221,100	58,061,000	52,529,000	55,504,000	+8,282,900	-2,557,000	-2,557,000	+2,975,000	
Title III—Corporations-----									
	2,377,497,150	2,806,610,000	2,508,950,000	2,706,610,000	+329,112,850	-100,000,000	-100,000,000	+199,660,000	
Title IV—Foreign assistance programs-----									
	2,085,022,000	1,921,667,000	1,889,044,000	1,721,667,000	-363,355,000	-200,000,000	-200,000,000	-167,377,000	
Title V—Related agencies-----									
	(2,631,500)	(2,785,000)	(2,785,000)	(2,785,000)	(+153,500)	-----	-----	-----	
Grand total-----									
	6,007,599,910	6,368,755,000	5,979,457,000	6,046,738,340	+39,138,430	-322,016,660	-322,016,660	+67,281,340	

¹⁰ Original estimate of \$43,875,000 revised by H. Doc. No. 81, dated Mar. 12, 1963.

PERMANENT APPROPRIATIONS

Item	Appropriations, 1963	Budget estimates, 1964	Increase or decrease
Agricultural Marketing Service:			
Removal of surplus agricultural commodities (sec. 32)	\$318, 063, 537	\$361, 500, 000	+\$43, 431, 463
Perishable Agricultural Commodities Act fund	728, 650	913, 000	+184, 350
Total, Agricultural Marketing Service	318, 797, 187	362, 413, 000	+43, 615, 813
Agricultural Stabilization and Conservation Service: National Wool Act	69, 164, 861	69, 000, 000	-164, 861
Total, permanent appropriations	387, 962, 048	431, 413, 000	+43, 450, 952

○



STRENGTHENING RESEARCH
ON UTILIZATION OF AGRICULTURAL
COMMODITIES

A REPORT TO CONGRESS

SUBMITTED BY

THE SECRETARY OF AGRICULTURE

Pursuant to S. Res. 415, 87th Congress



PRESENTED BY MR. RUSSELL

SEPTEMBER 12, 1963.—Ordered to be printed.

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EXCERPT FROM CONGRESSIONAL RECORD OF SEPTEMBER 12, 1963

Mr. RUSSELL. Mr. President, last October 13, the Senate adopted Senate Resolution 415 which requested the Secretary of Agriculture to submit to the Director of the Budget, and to the Congress, the most effective program available for research to discover new uses for agricultural commodities. The Senate resolution further requested that the proposed program cost not in excess of \$35 million annually above the current allowances for 1963 for utilization research and development to discover new uses for agricultural commodities * * * the details of the research proposal of the Secretary of Agriculture are contained in the report entitled "Strengthening Research on Utilization of Agricultural Commodities." On behalf of the Committee on Appropriations, I ask unanimous consent that the report be printed as a Senate document.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and it is so ordered.



LETTER OF TRANSMITTAL

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, March 20, 1963.

HON. LYNDON B. JOHNSON,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Senate Resolution 415, 87th Congress, 2d session, asks the Secretary of Agriculture to submit to the Congress and to the Director of the Bureau of the Budget "* * * the most effective program available for research to discover new uses for agricultural commodities." The resolution limits the program to not more than \$35 million per annum above 1963 funds for utilization research.

Attached is a report entitled "A Plan for Strengthening Utilization Research and Development," prepared in response to this resolution by the Agricultural Research Service, in consultation with other agencies of this Department. The program described in this report includes new and expanded studies on nearly 200 different projects; new and expanded laboratory facilities; and intensified research through grants, contracts, and cooperative arrangements with agencies outside the Department of Agriculture.

The report should not be construed as representing, at this time, a recommendation by this Department. Whether \$35 million should be added to expenditures for utilization research is a question that must be considered by the executive branch and the Congress in the light of general fiscal policy and the relative promise of these projects as compared to projects in other related fields of agriculture research. The specific projects contained in the attached report represent only the best current judgment of our scientists as to the most effective program available, in accordance with the language of the resolution, if a determination is made that utilization research should be given that degree of priority.

Since Senate Resolution 415 contemplates expansion of utilization research as a means of solving the problem of agricultural surpluses, I would emphasize that a program of research aimed specifically toward that objective, should be broader in scope than utilization research as commonly defined. New uses for farm products will not solve the farm surplus problem. We need also to find new and profitable uses for the excess resources now used for production of crops in surplus. Furthermore, unless steps are taken to dampen supply, the great potential capacity of agriculture will continue to produce surpluses even if new uses for commodities now in surplus are found.

Even within the more limited objective of expanding the use of farm products, a balanced program of research must include agronomic,

economic, marketing, and other closely related lines of investigation in addition to utilization research in the usual sense. Acceptance of farm products as raw materials for industry depends on their chemical and physical qualities which, in turn, may be modified or improved through research in plant breeding. New crops that have unique properties and that can replace old ones in surplus may also require research on adaptability of varieties and on tillage practices.

New products that may come from the laboratories fail to help producers unless they are accepted by consumers in competition with other products and unless they are produced, processed, and marketed profitably. Economic evaluations are needed to appraise the nature and extent of future markets for new derivatives from starch and other cereal products; for fabrics having modified and specific characteristics; for vegetable proteins, and for new forms of food products. Searching for economies in production, processing, and handling of new products and evaluating prospects for profitable production of new crops also have a place in an effective research program.

In recent years, we have received continued criticism of the quality of U.S. agricultural products in foreign markets. Research is needed to identify the causes of quality breakdown or quality deficiency; to develop procedures for correcting these quality problems; and to seek the most efficient methods of handling, packaging, storing, transporting, receiving, and distributing agricultural products, especially in foreign markets.

For all these reasons, if we are to have the most effective program to expand the demand for farm products and the use of farm production capacity we must maintain a balance between utilization research, as we commonly define it for budget purposes, and the types of related studies to which I have referred. If added funds would not be available for these equally important avenues of research, I would recommend that the additional \$35 million per annum visualized in the attached report be redistributed to permit some expansion in other lines.

Any rapidly expanding research program will encounter difficulty in building a competent staff and in arranging for adequate facilities. Accordingly, I concur with a recommendation of this Department's Advisory Committee on Agricultural Science that USDA research programs be carried on in close cooperation with research and teaching at the universities to encourage more effective use of available competence and to furnish experience for young scientists who might participate in research while completing their graduate degrees.

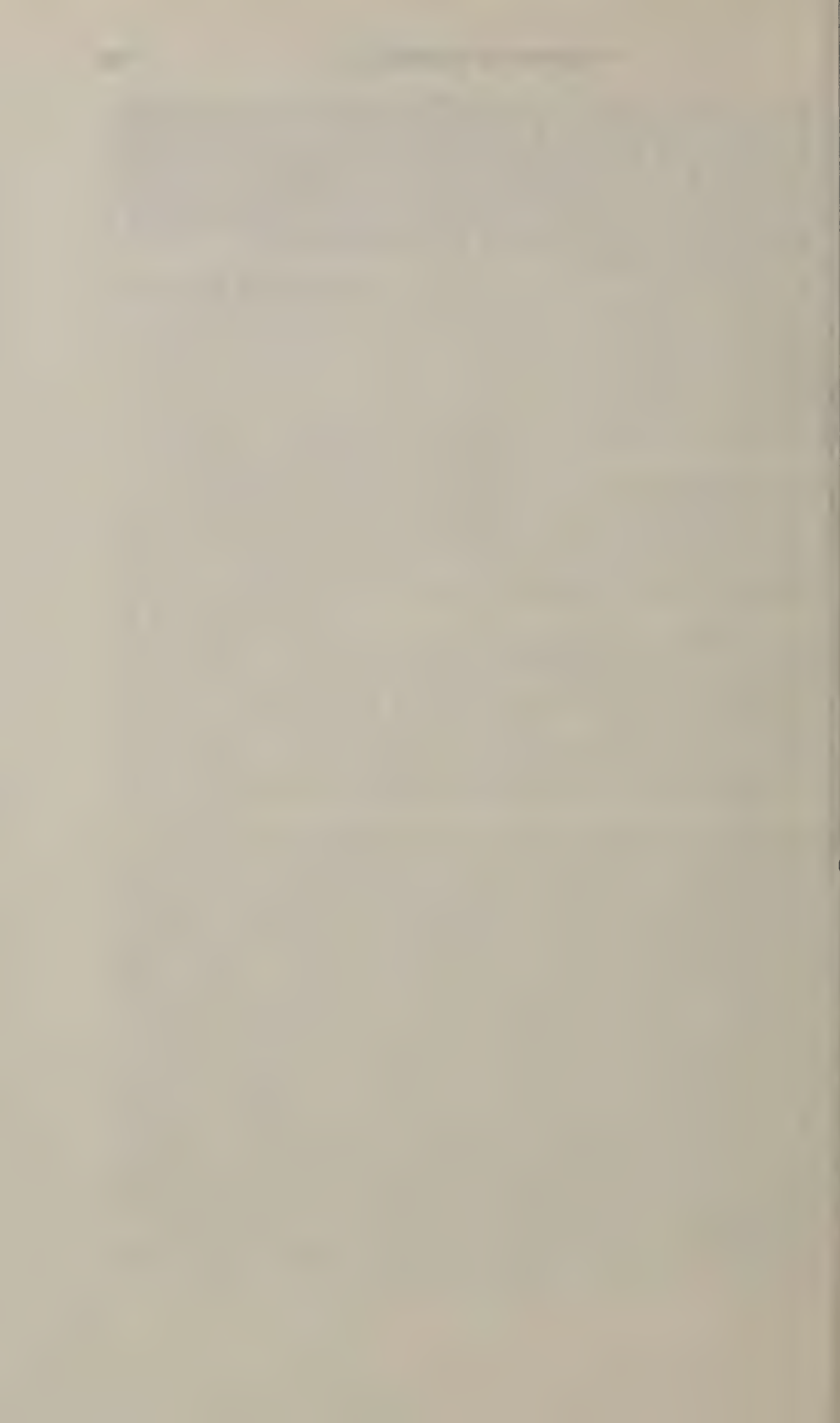
The projected program in this report assumes that, in the fifth year, \$15 million of the additional \$35 million would be used in support of research to be conducted under contract, grant, or memorandum of understanding, in non-Federal facilities. As an expanded program progressed, of course, the distribution of funds between direct Federal and federally supported programs, as well as the distribution among the problem areas and kinds of projects suggested in this report, would need to be reviewed and modified, year by year, in the course of the annual budget review and appropriations processes.

The Advisory Committee on Agricultural Science, a group of outstanding university scientists, are now engaged in a comprehensive review and evaluation of all of the Department's research programs

at my request. They are assessing the needs and potential for additional agricultural research in light of available resources, including the present and anticipated supply of trained scientific manpower, and will develop recommendations on the most effective allocation of scarce resources to achieve a well-balanced program of research. The Congress may wish to take cognizance of this Committee's work in making its decision on expansion of utilization research.

Sincerely yours,

ORVILLE L. FREEMAN.



HIGHLIGHTS

This report, prepared in response to Senate Resolution 415, 87th Congress, outlines a program for increasing the effectiveness of research to discover new uses for agricultural commodities that could be conducted with an increase of not to exceed \$35 million above 1963 funds for utilization research. The program provides for—

Initiating new and expanded studies immediately on nearly 200 different projects to expand use of agricultural commodities.

Special emphasis would be placed on certain highly promising areas—cereal and forage crops, and poultry, dairy, and animal products. Substantial increases would be devoted to work on cotton and wool, oilseeds, fruits and vegetables, and new and special crops.

Using nearly half of the increase in the first 2 years to provide new laboratory space for utilization research throughout the country.

This would include, in the first year, a new regional laboratory in the Southeast (\$9.5 million) and an addition to the Northern Laboratory at Peoria, Ill., (\$8 million). In the second year, \$15 million would be used to build additions to the Western (Albany, Calif.), Southern (New Orleans, La.), and Eastern (Wyndmoor, Pa.) Laboratories, and to renovate and expand facilities at field stations in Pasadena, Calif., Olustee, Fla., and Weslaco, Tex.

Increasing the total utilization research effort from \$24 million annually to \$59 million, using both Department and outside facilities.

Work in the Department would be increased from \$21 to \$44 million by the fifth year. Research outside the Department—through contracts, grants, and memorandums of understanding—would be increased from \$2.5 million a year to a high of \$19 million, and stabilized at \$15 million a year as new Department facilities are completed.

IX

CONGRESSIONAL DIRECTIVE

Senate Resolution 415, 87th Congress, 2d session, October 13, 1962, states:

Whereas the vast accumulation of surplus agricultural commodities by the Government of the United States, at the expense of the American taxpayer, presents this Nation one of its most serious domestic problems involving the expenditure of billions of dollars for storage, handling, and transportation alone; and

Whereas this condition makes it not only desirable but necessary that appropriate steps be taken to decrease the enormous expenditures and wastage involved in the accumulation, handling, and storage of said surpluses; and

Whereas the United States has neglected adequate research in finding new means to utilize these vast surpluses for the benefit of the American people who have contributed almost twenty-seven billion dollars to the farm program since 1952: Therefore be it

Resolved, That the Senate of the United States hereby respectfully requests the Secretary of Agriculture to submit to the Director of the Budget and to the Congress in time to be considered in connection with the first supplemental appropriation bills before the Congress in the 88th Congress the most effective program available for research to discover new uses for agricultural commodities; and be it further

Resolved, That the Secretary be requested to limit this program to items costing not in excess of thirty-five million dollars per annum above current allowances for 1963 for utilization research to discover new uses for agricultural commodities.

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A PLAN FOR STRENGTHENING UTILIZATION RESEARCH AND DEVELOPMENT

A Report to the Congress of the United States

SUMMARY

Farmers, processors, consumers—all gain from a vigorous utilization research effort. In fact, benefits to the Nation's economy in recent years have amounted to \$25 for each dollar spent on this work.

Utilization research has made lasting impressions on our economy and the way we live. For example, improved processing technology made soybeans a major source of vegetable oil for food and industrial uses. Wash-and-wear cottons halted the inroads by synthetic fibers on cotton markets. Tallow and greases that lost their traditional markets in soap were made into plastics and feeds. Frozen orange juice concentrate and instant potatoes revolutionized the processing and distribution of these foods.

There are also many less tangible benefits. What value can be placed on a development like the large-scale commercialization of penicillin? Or the development of dextran as a blood plasma extender? Or a method—if we ever need it—of removing radioactive strontium 90 from milk?

Considering achievements of the past and the promise for the future, an expanded program of utilization research can be counted on to serve the national interest.

EXPANSION OF UTILIZATION RESEARCH PROPOSED

In response to a request from the Senate of the United States, this report proposes to expand the utilization research effort by \$35 million annually—the ceiling set by the Senate. This would increase the total program from \$24 to \$59 million a year.

Nearly half of the increase in the first 2 years would be used to construct urgently needed facilities. This would include, in the first year, a new utilization laboratory in the Southeast (\$9.5 million) and an addition to the Northern Laboratory at Peoria, Ill. (\$8 million).

The new facility in the Southeast would provide modern laboratories and pilot plants for a concerted research attack on new and improved uses of poultry and eggs, fruits and vegetables, and other commodities of that region. Such work is now divided among the four existing laboratories. Research on screening and evaluating new crops would also be consolidated in the Southeastern Laboratory.

The addition to the Northern Laboratory would include space needed to expand research on industrial uses for major cereal and oilseed crops.

In the second year, \$15 million would be used to build additions to the Western, Southern, and Eastern Laboratories, and to renovate and expand facilities at field stations in California, Texas, and Florida.

Research would be increased at once across a broad front. Since there is limited room for expansion in the Department's present facilities, most of the new funds in the first 2 years would be used to collaborate with universities and other public and private institutions through contracts, grants, and cooperative arrangements.

Over a 5-year period, research in the Department's facilities would be increased from \$21 million to \$44 million a year. Work outside the Department would be increased from \$2.5 million a year to a high of \$19 million, and stabilized at \$15 million as new Department facilities are completed.

The first year's increases would be devoted to nearly 200 different projects throughout the utilization research program. Special emphasis would be placed on two highly promising areas—cereal and forage crops; and poultry, dairy, and animal products. Substantial increases would be allotted to work on cotton and wool, oilseeds, fruits and vegetables, and new and special crops.

In subsequent years, additional opportunities would be exploited.

SOME OPPORTUNITIES FOR UTILIZATION RESEARCH

Here are a few of the opportunities—some of them already near at hand—for further gains from utilization research:

CEREAL AND FORAGE CROPS

Starch—which makes up 70 percent of cereal grains—can find new outlets in paper, films, fibers, plastics, and coatings. New adhesives resist water and have great holding power.

Entirely new organic chemicals, created through fermentation of grain, can be used by industry in a wide variety of processes.

Our winter wheats can be treated to make them more acceptable in world markets. Low-cost wheat products—such as parboiled, pearled, and fermented foods—can be developed for use in low-income countries where the use of wheat will increase as the standard of living rises.

Byproducts of wheat milling can be upgraded into concentrates that are rich in vitamins, antibiotics, hormones, and other growth-promoting substances.

More nutritious dehydrated forages, more efficiently processed, can move into ready markets both here and abroad.

POULTRY, DAIRY, AND ANIMAL PRODUCTS

New poultry, dairy, and animal products—desirable and attractively priced—can give our people better diets as well as increase the use of crops and acres. Freeze-dried meat and poultry are among the possibilities.

A fully acceptable dry whole milk can lower milk costs enough to increase consumption by 10 percent.

Convenience foods such as canned meat and poultry dishes, dehydrated eggs, dairy spreads, and low-fat cheeses can expand the demand for livestock products.

Leather can regain and expand its markets through chemical modification to make it more attractive for use in apparel.

Fats can be turned into improved detergents, lubricants, and plastics.

COTTON AND WOOL

Chemical modification can improve cotton for hundreds of different uses: comfortable cotton garments that hold their appearance and truly need no ironing; attractive, durable cotton cloth that resists soiling and staining in our homes; strong fabrics that are economical for industrial use. Research can help to reverse the decline in cotton's markets in the face of competition from synthetic fibers.

Wool can meet the challenge of synthetics if its desirable characteristics are improved and new characteristics are imparted through research.

OILSEEDS

With the unique chemical properties that nature has built into vegetable oils, research can help them obtain a significant share of today's growing markets for industrial chemicals. Plastics, elastomers,⁸ surface-active agents, and other products are potential outlets.

The intrinsic value of oils and protein meals can be enhanced to make them more competitive—especially in foreign markets.

Vegetable oils are already important as foods, and additional food products can be developed. For example, soybeans, cottonseed, and peanuts have physical, chemical, and nutritive properties that can make their protein concentrates useful in domestic foods and in supplying deficits in foreign markets.

FRUITS AND VEGETABLES

A good processed food that is convenient to prepare and acceptable in price can revolutionize the production and distribution of a commodity—as we have seen in the case of citrus fruit and potatoes. Many other commodities can benefit from research on dehydration and development of new products. Among the possibilities are puffed vegetable and fruit pieces that rehydrate rapidly, improved fruit and vegetable juice powders, and new fermented vegetable products.

NEW AND SPECIAL PLANTS

Tobacco can meet changing domestic requirements and increasing foreign competition, given more scientific knowledge of the composition of tobacco and its smoke.

Heavy losses in sugar production can be reduced by research to develop improved methods of handling and processing beets and cane.

Modernization of maple-sap processing can give thousands of rural people in 14 States an opportunity to improve their incomes.

Research can provide new markets for naval stores by developing industrial chemicals from turpentine and improved paper sizes from pine gum and gum rosin.

Exploration for new crops can have far-reaching results, as we have seen in the case of soybeans. Seeds containing unique oils are of particular interest. This is a vast field—only about 3,500 samples out of the 250,000 known species of plants have so far been analyzed.

SCIENTIFIC EFFORT COMMENSURATE WITH NEED

In summary, we propose a broad expansion of utilization research, building on the solid base of the last 20 years.

This is not a crash program. It provides for a steady, healthy growth of this Federal scientific effort to a size and strength commensurate with the Nation's need.

THE UTILIZATION RESEARCH PROGRAM AS IT IS TODAY

LEGISLATIVE HISTORY

Recurring periods of agricultural surpluses following World War I, prompted the Congress to direct that a comprehensive study be made to determine whether an intensive research program aimed at developing expanded uses for farm products would be worth while.

The report of this study (S. Doc. 65, 76th Cong., April 1939), reflecting the judgment of experts in the State agricultural experiment stations and most of American industry, concluded that such an intensive research program was needed and warranted. As a consequence, Congress, in the Agricultural Adjustment Act of 1938, directed the Secretary of Agriculture—

to establish, equip, and maintain four regional research laboratories, one in each major farm producing area, and at such laboratories to conduct researches into and to develop new scientific, chemical, and technical uses and new and extended markets and outlets for farm commodities and products and byproducts thereof. Such research and development shall be devoted primarily to those commodities in which there are regular or seasonal surpluses, and their products and by-products.

In discussions during hearings before the Agriculture Subcommittee of the Committee on Appropriations, House of Representatives, on the Agricultural Department appropriation bill for 1940, it was made clear that Congress intended that the research "to develop new scientific, chemical, and technical uses" should include food as well as industrial uses. Authorizations were broadened to permit the Department to support research by contract in the Research and Marketing Act of 1946.

The four laboratories were constructed in 1939-41 at Peoria, Ill., New Orleans, La.; Wyndmoor, Pa.; and Albany, Calif.

APPROPRIATION HISTORY

For several years, each of the utilization laboratories operated on an annual budget of approximately \$1 million. In the mid-1940's, the several small field laboratories of the Bureau of Agricultural and Industrial Chemistry, which existed prior to the establishment of the utilization laboratories, were placed under the direction of these laboratories and funds were merged.

Since that time, appropriations for utilization research have been increased in some years and decreased in others, as shown in table 1 for the years from 1948 to the present. Manpower figures are included to permit comparison of growth in dollars and growth in professional manpower over the past 15 years. During this period, utilization research has been able to increase by only 30 percent its level of operations, as measured by the number of professional man-years that annual appropriations have supported, despite a 2½-fold increase in appropriations.

TABLE 1.—Appropriations for utilization research and development, 1948-62
(adjusted for comparability with 1963 appropriation structure)

Year	Appropriations, salaries and expenses ¹	Professional personnel	Professional personnel per million dollars
	<i>Thousands</i>	<i>Number</i>	
1948.....	² \$7,777	682	88
1949.....	8,440	798	95
1950.....	9,070	802	88
1951.....	8,624	690	80
1952.....	8,415	640	76
1953.....	8,202	650	79
1954.....	8,319	650	78
1955.....	9,177	740	81
1956.....	9,623	740	77
1957.....	² 11,415	797	70
1958.....	² 13,261	822	62
1959.....	16,066	823	51
1960.....	16,118	866	54
1961.....	18,188	887	49
1962.....	³ 18,787	922	49

¹ Excludes \$6,000 for allocations from special fund for each of the fiscal years 1960, 1961, and 1962.² Excludes the following nonrecurring construction items:

1948—\$330,000 for Citrus Fruit Laboratory, Pasadena, Calif.

1957—\$785,000 for Fruit and Vegetable Products Laboratory, Winter Haven, Fla.

1958—\$105,000 for wool processing building, Albany, Calif.

³ Excludes \$209,200 allocated from the contingency research fund.

HOW FUNDS ARE BEING USED IN FISCAL YEAR 1963

Table 2 indicates by commodity groups how funds appropriated for utilization research and development were employed in fiscal year 1962, as well as how these funds and the additional \$4,975,000 appropriated for fiscal year 1963 are being employed. The fiscal year 1963 increase is further broken down to indicate the manner of expenditure—that is, whether for intramural or extramural research.

Table 2 also indicates that in fiscal year 1962, 30 percent of utilization research was basic research; 70 percent was applied research and development. In fiscal year 1963, half of the new funds available for utilization research and development will be devoted to basic research, raising the overall proportion of total funds devoted to basic research to 33 percent.

TABLE 2.—Use of funds, fiscal year 1963

[Dollars in thousands]

Commodities	Base funds fiscal year 1962	Distribution of increase of \$4,975,000 in fiscal year 1963		Total increase	Base funds fiscal year 1963
		Intra-mural ¹	Extra-mural ²		
Cereals and forage crops.....	\$4,031	\$565	\$635	\$1,200	\$5,231
Cotton, wool, and other fibers.....	3,991	555	395	950	4,941
Fruits and vegetables.....	2,882	445	230	675	3,557
Oilseeds.....	2,165	380	270	650	2,815
New and special plants.....	1,744	200	-----	200	1,944
Poultry, dairy, and animal products.....	3,980	805	495	1,300	5,280
Total.....	18,793	2,950	2,025	4,975	23,768
Basic research (percent).....	30	-----	-----	50	33

¹ In Department laboratories.² In non-Federal facilities supported by contract, grant, or memorandum of understanding.

GOALS

The aim of utilization research is to expand traditional outlets and to develop new industrial and food products and processes utilizing American farm products, particularly those in surplus. It achieves its objectives through basic research on the chemical, physical, and biological properties of farm products; developmental research on new processes and products; and engineering pilot-plant operations to adapt new laboratory products and processes to commercial practice.

Utilization research employs the following guidelines for the development of industrial uses on the one hand and food uses on the other:

Ideal industrial outlets to be developed should provide a profitable market for agricultural products in surplus or a profitable use for the excess productive capacity of agricultural resources.

Agricultural raw materials have useful properties not found in fossile raw materials such as coal and petroleum. Advantage is taken of these properties in the chemical conversion of these commodities to useful industrial products.

Utilization research recognizes the problems it faces in expanding markets for food—that the demand for food products is inelastic in the domestic market, and, that the increased consumption of one food product may displace another. Despite this situation, there are four areas where utilization research can expand the markets for food and feed in ways which would be profitable to the farmer, namely:

1. Research leading to increased exports of food products can expand agricultural markets. Utilization research can improve the quality and stability of processed products, improve technology, and reduce costs of processing, transportation, and warehousing.

2. Utilization research can lead to an increased use of animal products in the diet. Red meats, poultry, eggs, and dairy products provide a more attractive diet and require more agricultural resources. A 1-percent increase in livestock production will increase feed use equivalent to 80.5 million bushels of corn. Increased consumption will follow if retail cost is lowered by reducing processing and distribution costs and by assuring economic returns for byproduct hides and fats.

3. Utilization research can assist each commodity by making available its inherent desirable properties to consumers in the most attractive and convenient forms which technological advancement and economic costs permit.

4. Utilization research leading to increased efficiency of feeds—reduction of growth inhibitors and concentration of growth promoters—can contribute to lower costs of meat production. The development of efficient and economical feeds will facilitate the exports of feeds and animal products.

Utilization research has the following specific goals:

1. To create new, commercially feasible food, fiber, and industrial products from farm commodities that are geared to consumer desires.

2. To improve existing processed products from farm sources to maintain them in traditional markets and expand their use into new ones.

3. To develop nonfood products from agricultural commodities at food prices that will halt and ultimately reverse the downward trend in per capita consumption of many farm commodities for nonfood uses that has occurred during the last decade.

4. To develop agricultural products tailor made for export markets.

5. To conduct the chemical and engineering investigations necessary to develop new crops with high market potential as alternates to those in serious surplus.

6. To develop products and processes adaptable to economic exploitation in rural areas.

7. To develop basic information—embracing chemical, physical, biological, and engineering sciences—on agricultural products to provide the basis for technological applications to meet present and future practical needs.

8. To provide competent guidance and aid in the development and prosecution of an effective utilization research program financed by foreign currencies (Public Law 480).

9. To be adequately prepared to cooperate with other agencies or departments in the conduct of researches vital to the Nation's welfare and security.

10. To use its steadily accumulating technical knowledge and increasing staff competence to serve in advisory capacity to the Secretary of Agriculture, to the Congress, and to the general public on the merits of proposed technological solutions to agricultural utilization problems.

11. To continue to assume major responsibility for prosecuting an effective program of utilization research because individual farmers cannot do it, organizations of farmers and the State agricultural experiment stations are unable to support programs of the scale and scope essential to success, and industry has no obligation for research beyond that required to serve its own ends.

ACCOMPLISHMENTS

Utilization research has contributed to increasing farm income, to the establishment of rural industries, and to the variety and utility of products available to the consumer. It has devised new, less costly, more attractive and more nutritious foods. It has developed practical, new industrial uses taking advantage of those built-in properties of agricultural products which cannot be had at lesser cost from petroleum, coal, or other raw materials. It has shielded the farmer's existing outlets in industry against invasion by synthetics.

Examples of significant accomplishments of utilization research in which the Department has played a key role are:

The development of the processing technology that has made the soybean a major source of vegetable oil for edible and industrial purposes and of high protein meal for the Nation's livestock and poultry industries.

The halting of inroads by synthetic fibers on cotton markets through the development of wash-and-wear cottons that are responsible for the use of more than 1 million bales of American cotton annually than would now be used without this development.

The development of new uses for more than 600 million pounds annually of tallow and greases that have been displaced from traditional soap markets by synthetic detergents.

The development of penicillin as a practical pharmaceutical and feed additive of incalculable value.

The development, in cooperation with the Florida Citrus Commission, of a satisfactory frozen orange juice concentrate which has led to expansion in the production of oranges with an attendant increase in farm income.

The facts with respect to cotton and fats are specific, dramatic examples of the value of utilization research in contributing to the domestic nonfood use of agricultural commodities. Per capita disappearance of cotton in 1960 was 23.5 pounds; without products made available through utilization research this would have been only 20.5 pounds. Per capita disappearance of fats and oils in 1959 was 24 pounds; without products made available through utilization research, this would have been only 20 pounds.

In its two decades of operation, USDA utilization research and development has added over \$2.5 billion to the value of farm commodities at a research cost of less than \$175 million; a benefit-to-cost ratio of nearly 15 to 1. Each succeeding year has given more return per year for the total research expenditure. During the past 5 years, for example, the benefit-to-cost ratio has increased 25 to 1. With adequate support, this increasing rate of return is expected to continue.

PLANNING AHEAD—POTENTIALS AND LIMITATIONS

To guide research decisions, plans, and operations, the product and process evaluation staff of utilization research and development has prepared and keeps current a research planning document entitled, "A Program for the Expansion of Markets for Surplus Agricultural Commodities Through Utilization Research."

This "blueprint" for research programing takes into account the ever changing economics and outlook for the production and use of all agricultural commodities, and the technological potentials and limitations of utilization research in each commodity area. It also takes into account research proposed in the several special studies that have been made of utilization research in the past 5 years, by witnesses before congressional Appropriation Committees, by Department advisers, consultants and collaborators, by farm, industry and trade organizations, and by the Agricultural Research Administrator and his utilization research and development staff for approaching the solution of problems associated with surpluses.

This document represents a careful sifting and evaluation of research proposals in the light of all relevant factors. It provides a realistic working guide for assuring that available funds are being directed to, and that additional funds are requested for, the researches that have greatest potential and promise for prompt culmination in developments that will provide substantial economic markets for major surpluses.

All factors considered, there are four major contributions utilization research and development can make to alleviation of the surplus problem. These four are discussed briefly below. All of them depend on continued accumulation of new and precise knowledge of the

chemical and physical makeup of our agricultural commodities and its application to their more efficient use in traditional forms, as well as to the development through chemical modification of wholly new and better products for industrial use. All of them also depend on commercial acceptability of products and processes developed. Industry will adopt only those products and processes that it can make or use profitably.

Industrial chemicals

The organic chemical industry annually turns out some 15 billion pounds of plastics, detergents, plasticizers, elastomers and a great variety of solvents and other useful products. These fields are growing at rates as high as 10 percent or more per year.

Substantially all of these products could be made from agricultural raw materials and, in fact, at least 2 billion pounds of starch, linseed oil, soybean oil, animal fat, and other farm-product materials are now so used. Nevertheless, most synthetics are actually based on petroleum or coal. These are available at low and stable prices, supply and quality are constant and above all they have properties which adapt them to processing to the desired end product by economical means. In many cases, accordingly, there is little opportunity for agricultural commodities to displace them in present uses, for example, in manufacture of industrial alcohol and certain other solvents.

In other applications, however, the specific attributes of agricultural commodities make it possible, despite their higher unit cost, to manufacture from them desirable and needed end products at costs lower than those of the equivalent product produced from fossil raw materials. Epoxy plasticizers prepared from agricultural fats and oils are prime examples. They are now accounting for 40 million or more pounds per year and their use in vinyl plastics is expanding rapidly. The vinyl esters of fatty acids is another recently commercialized example.

"Cereal-pulp" products, consisting of chemically converted wheat flour or cereal starches precipitated by inexpensive processes on wood-pulp fibers in amounts up to 45 percent cereal product, yield papers of higher dry and wet tensile strengths than all-wood-pulp papers. If initial findings are borne out in larger scale tests, this development has excellent potential for improving a variety of paper products—newsprint, coating adhesives, coarse paper, and building and insulating boards—and would require the use of 100 to 180 million bushels of grain.

Opportunities are unlimited, but research projects must be chosen with great care to assure that the chemical structure advantages with which nature has endowed our products are exploited to the fullest. In no other way can the cost advantage of fossil raw materials be compensated.

Textiles and fibers

The natural fibers constitute a special category of attractive agricultural raw materials for industry. The development of wash-wear cotton has already maintained the market for more than 1 million bales per year according to an authoritative estimate.

Utilization research is making further important contributions to the perfecting of this as well as other improved products, perhaps less spectacular, but nonetheless vital to the position of cotton and wool

in competition with the synthetics pouring from the well-supported research laboratories of industry in ever-increasing volume.

Improved food products

Over the past half century our food habits have undergone continuous adjustment to our new modes of living. Our bodily calorie needs are lessened and we are enabled through modern technology and transportation facilities to choose from a vastly greater variety of foods than formerly. Today's housewife, with her infinitely varied fields of interest, no longer has time or inclination to pluck chickens, peel potatoes, or squeeze oranges.

These operations and a great many others can be effectively performed on a factory line and it has long since been demonstrated that convenience foods can be sold in such volume as to change the entire aspect of an industry provided acceptable quality and reasonable price is offered. Oven-ready poultry and frozen citrus juice concentrates are examples. A similar revolution is in progress in potato marketing. It has stemmed the downward trend in per capita consumption of potatoes.

These and related developments will have a vital effect on the utilization of every commodity and each product must be active in research lest his be passed by and surpluses be accumulated.

There is an important potential for surplus utilization in the development of improved animal products. It requires 6 to 10 pounds of feed grain or its equivalent to produce a pound of meat. A 10-percent increase in present rates of consumption would require our annual grain surplus accretion for its production.

Utilization research can make important contributions to bringing about increased consumption of animal products through the development from them of new and attractive foods excellent in quality, convenient in preparation for the table, and at prices which will encourage consumption. It can contribute, too, through development of cost-reducing processes for distribution—frozen meat, for example.

Feeds]

Utilization research can contribute, through development of improved feeds, to reduction of costs in production of livestock products. It has long been known that the demand for these is strongly responsive to variation in price.

Progress thus far made assures that further successes will attend work in the laboratories. High-quality cottonseed meal for feeding poultry—a new market of 350,000–400,000 tons—resulted from a collaborative effort between the Department, State experiment stations, and industry in producing meals of lower gossypol content and higher nutritional value.

At least 500 million pounds of inedible animal fat, otherwise surplus, is being used annually by the feed industry.

Highly successful commercial processes for the production of the antibiotic, penicillin, and riboflavin (vitamin B₂) have been worth several hundred million dollars in reducing the costs of producing poultry and swine.

A practical method of stabilizing some of the more valuable nutrients—carotene, vitamins E and K, and xanthophylls—of dehydrated alfalfa was developed using a chemical known as ethoxyquin. During the 1961 season, 90 percent of all forage artificially dehydrated in the United States was treated with this chemical.

A PLAN FOR USE OF AN ADDITIONAL \$35 MILLION PER ANNUM

GENERAL PLAN

The general plan is presented in tables 3 and 4 and supported by details in the pages that follow. It provides for the most effective use of an additional \$35 million per annum in research to discover new uses for agricultural commodities. The plan recognizes the needs and opportunities for utilization research now and in the years immediately ahead. It has been developed in the light of the goals, guidelines, and other relevant factors discussed in preceeding sections of the report.

In the first full year of operation, \$17.5 million would be used to support new and expanded research programs in the Department's laboratories and in non-Federal facilities; \$17.5 million would be used to initiate construction of one new facility and expansion of one existing facility. Capacity of present Department facilities limits expansion of intramural programs to an additional \$1.5 million. The remaining \$16 million would be used to support research and development contracts and grants as well as cooperative research between the Department and universities in the facilities of the latter (table 3).

TABLE 3.—*Proposed use of additional \$35,000,000 in 1st year*

[Dollar amounts in thousands]

Commodities	Base funds fiscal year 1963	Distribution of program increase				Total increase	Total program
		Within the Department	Contracts	Grants	Memoranda of understanding ¹		
Cereal and forage crops.....	\$5,231	\$375	\$2,125	\$1,300	\$400	\$4,200	\$9,431
Cotton, wool, and other fibers..	4,941	240	1,640	760	240	2,880	7,821
Fruits and vegetables.....	3,557	150	1,370	315	175	2,010	5,567
Oilseeds.....	2,815	215	1,395	500	200	2,310	5,125
New and special plants.....	1,944	70	495	435	100	1,100	3,044
Poultry, dairy, and animal products.....	5,280	450	1,375	2,675	500	5,000	10,280
Total.....	23,768	² 1,500	8,400	³ 5,985	1,615	17,500	41,268
Basic research (percent).....	33	-----	-----	-----	-----	50	41

¹ A memorandum of understanding is a written plan to cooperate in carrying out research which will result in mutual benefit to the parties concerned, each one operating within its own sphere of authority.

² Includes funds to be transferred to the Economic Research Service for market potential and development studies on products, processes, and new crops developed in utilization research.

³ Includes \$3,000,000 for Hatch Act grants to State agricultural experiment stations to be administered by Cooperative State Experiment Station Service.

In the second year (table 4), \$15.3 million would be used to initiate construction and expand Department utilization research facilities in the remaining locations where expansion is needed. The balance, \$19.7 million, would be used to support intramural and extramural program operations.

In the third year (table 4), construction of facilities started during the first year would be completed, making it possible to increase the level of intramural programs from \$24 to \$32 million per annum. Approximately \$8 million would be used to provide laboratory and pilot plant equipment for the new facilities and approximately \$19 million would be used to support extramural programs.

In the fourth year (table 4), construction of facilities started in the second year, would be completed, making it possible to increase the level of intramural programs from \$32 to \$40 million per annum. Approximately \$2 million would be used to complete procurement of laboratory equipment for the new facilities and approximately \$17 million would be used to support extramural programs.

TABLE 4.—5-year projection of plans at a level of \$58,800,000 per annum

[In millions]

	1st year	2d year	3d year	4th year	5th year
Intramural ¹					
1963:					
Base.....	\$21.3	\$22.6	\$22.6	\$22.6	\$23.8
Increase.....	1.5	1.5	9.5	17.5	20.0
Total.....	² 22.8	² 24.1	² 32.1	² 40.1	² 43.8
Extramural ³					
1963:					
Base.....	2.5	1.2	1.2	1.2	-----
Increase.....	16.0	18.2	17.5	15.5	15.0
Total.....	⁴ 18.5	⁴ 19.4	⁴ 18.7	⁴ 16.7	⁴ 15.0
Construction: Increase.....	17.5	15.3	⁵ 8.0	⁵ 2.0	-----
Grand total:					
1963:					
Base.....	23.8	23.8	23.8	23.8	23.8
Increase.....	35.0	35.0	35.0	35.0	35.0
Total.....	58.8	58.8	58.8	58.8	58.8

¹ In Department facilities.

² Includes funds to be transferred to the Economic Research Service for market potential and development studies on products, processes, and new crops developed in utilization research; level to be determined at beginning of each fiscal year on basis of projects mutually agreed upon.

³ By contract, grant, or memorandum of understanding in non-Federal facilities.

⁴ Includes funds for Hatch Act grants to the State agricultural experiment stations for utilization research to be administered by the Cooperative State Experiment Station Service; level to be \$3,000,000 in the 1st year and \$7,500,000 in subsequent years.

⁵ For laboratory and pilot plant equipment in new laboratories.

Full staffing of the Department facilities would be achieved in the fifth year (table 4) at an intramural operating level of approximately \$44 million per annum.

Extramural programs would be heaviest initially (approximately \$19 million per annum) and would decrease to a continuing level of approximately \$15 million per annum by the fifth year.

Details of program plans for the first year, including proposed use of funds by commodities, locations, and projects are presented in the following section. No attempt has been made to develop specific research programs for years subsequent to the first. Selection of projects for future years must be guided by results of current programs.

DETAIL OF RESEARCH PROGRAM PLANS FOR FIRST YEAR

Specific program plans are presented under the six commodity groupings shown in table 3. For each group of commodities, the following information is provided: (1) A statement of the major opportunities for expanding utilization of the commodities concerned; (2) a listing of the specific research and development projects which would be undertaken to achieve expanded use of these commodities; (3) indication for each project of its estimated cost and where the work would be done, i.e., in the Department or by contract, grant, or memorandum of understanding. The projects prepared for each commodity have been selected as ones which are most likely to provide the technical information needed to improve or develop significantly expanded uses for the commodity. Extramural projects, and particularly grant projects listed, must be considered tentative as to specific plan, scope, and magnitude to permit appropriate adjustment in contract and grant negotiations.

CEREAL AND FORAGE CROPS

Markets for cereal grains and forages can be greatly expanded with advantage to the grower, processor, and consumer through tailoring cereal starches and flours for industrial uses; through more effective participation in world foods markets by developing cereal food products designed for specific foreign needs; and through the development of highly nutritious and stable dehydrated forage feed products and grain mill feeds for more economic production of domestic livestock and poultry and to expand dollar markets for these materials in Japan and Western Europe.

Industrial uses

Because cereal grains are composed of about 70-percent starch, the problem of expanding industrial outlets is largely one of finding new uses for starch as such or in the form of cereal flours. Areas of research offering the best economic and technological opportunities are in paper and paper products, plastics and coatings, industrial chemical products, and fermentation products. New outlets for cereal starches and flours equivalent to over 200 million bushels of grain by 1975 are envisioned, if basic research and development on several types of chemical and physical modifications now in the experimental stage can be prosecuted to successful conclusion.

Food uses

Wheat and rice are the world's foremost food grains. Dollar-market countries constitute a major outlet for U.S. production. Opportunities for expanding the use of wheat in these and in low-income countries lie in the development of flour maturation treatments to make our winter wheats fully acceptable and at the same time competitive with Canadian wheat in dollar markets; and in the development of a variety of nutritious, low-cost wheat food products such as parboiled, pearled, fermented, meatlike, and milklike products for use in low-income countries where wheat utilization will increase as the standard of living advances.

Commercial rice varieties vary widely in flavor, texture, and processing properties. Studies of the relationship of protein, lipid, starch,

and minor constituents in rice is needed to develop improved and uniform products to provide greater opportunities in foreign markets.

Feed uses

Forage crops are an integral part of economic livestock, dairy, and poultry operations, and play important roles in soil and water conservation. Increasing the cash returns from forages depends upon elimination of physical and nutrient losses that accompany hay and silagemaking procedures and the development of new products which are specifically designed to meet the nutritional needs of different types of livestock. Large dollar markets are developing for such products in Japan and Western Europe (200,000 tons of dehydrated alfalfa in 1962).

Economic products of higher protein, vitamin, and other growth-promoting factors with lower fiber and growth-inhibiting substances will be of great value to the domestic livestock and poultry industries, and provide additional attractive products for the rapidly expanding foreign mixed-feed industries.

The milling of wheat results in approximately 70 percent flour and 30 percent byproduct animal feed. Changing requirements have made millfeeds less suitable for the 40-million-ton mixed feed market.

Upgrading of these products into concentrates rich in vitamins, antibiotics, hormones, and other growth-promoting substances will benefit both the wheat grower and the livestock and poultry industries.

Proposed research and development:

INDUSTRIAL USES FOR CEREAL GRAINS

PAPER AND PAPER PRODUCTS

1. Development of optimal papermaking processes using cereal grain xanthides made from ground whole grain and other dry-milled grain products in blends with woodpulp to produce linerboard, corrugating media, and bag papers (contract)-----	\$300, 000
2. Process development for the production of partially sulfated wheat flour for use as an internal sizing agent for paper (contract)-----	180, 000
3. Chemical and physical-chemical studies on the structure and properties of the small-granule fraction of wheat starch to provide fundamental information needed for increased utilization of wheat flour and starch (grant)-----	75, 000
4. Basic research on the theory and methodology of the rheology of concentrated polymer solutions as applied to starch and starch fractions in order to obtain physical-chemical information applicable to the industrial utilization of starch and starch products as pastes and concentrated solutions (memorandum of understanding)-----	75, 000
5. Studies on the chemical synthesis of crosslinked starch derivatives having potential value as paper additives for improvement of tear, stretch, and moisture stability of paper products (Department laboratory)-----	75, 000
6. Investigations on physical and chemical differences between the horny and floury endosperm of wheat as a foundation for developing new and improved milling processes and products (Department laboratory)-----	40, 000
7. Basic investigations on the action of pentosanases and hemicellulases, and similar hydrolytic enzymes from microbial sources, particularly from the standpoint of their action on cementing layers of cereal grains (Department laboratory)----	50, 000
8. Engineering studies on the fractionation of sorghum flour or meal for preparation of special high-starch, high-protein, and other fractions of potential industrial value (grant)-----	140, 000

INDUSTRIAL USES FOR CEREAL GRAINS—Continued

PLASTICS AND COATINGS

9. Investigations on the preparation of plastic foam from selected starch polyol derivatives and their evaluation in industrial applications (contract)-----	\$100, 000
10. Preparation and evaluation of selected starch graft copolymers for industrial use in plastic products and industrial coatings (contract)-----	120, 000
11. Mechanism of plasticizer action as related to the organo-physical structure of starch and amylose to provide a basis for producing superior films from high-amylose corn starch (grant)-----	75, 000
12. Physicochemical studies on the contribution of hydrophobic bonding to protein interactions with particular emphasis on the cereal protein, zein (grant)-----	60, 000
13. Organic chemical studies on the preparation and properties of acetal derivatives made by reacting corn sugar and related carbohydrates with a variety of vinyl ethers to develop water-resistant adhesives (grant)-----	100, 000
14. Studies on the synthesis and chemical and physical properties of mono-, di-, and polysaccharide derivatives containing carbon-fluorine bonds (memorandum of understanding)-----	75, 000
15. Enzymatic differences of biosyntheses and transformation in high-amylose and high-amylopectin corn as related to molecular structure of the respective starches (memorandum of understanding)-----	60, 000

INDUSTRIAL CHEMICAL PRODUCTS

16. Studies on the reaction of ammonia with glucose and starch as a means of production of heterocyclic nitrogen compounds for use as industrial chemical intermediates (Department laboratory)---	100, 000
17. Development of an efficient process for the production of a new chemical intermediate—a monomeric trialdehyde—readily prepared in good yield from dialdehyde starch (contract)-----	125, 000
18. Development of a feasible process for the production of a new metal chelating agent, disorbitylamine, from corn sugar (contract)----	100, 000
19. Preparation and investigation of chemical derivatives of phosphomannans produced by fermentative conversion of cereal grains, and determination of their industrial potential as surface active agents and ion exchangers (contract)-----	150, 000
20. Basic investigations on new organic chemical reactions of carbohydrates to yield new derivatives (memorandum of understanding)-----	100, 000

FERMENTATION PRODUCTS

21. Engineering studies on the production of B-carotene by fermentation of cereal grains (Department laboratory)-----	35, 000
22. Investigation of two-phase submerged fermentation processes as means for increasing yields and/or concentrations of products (contract)-----	120, 000
23. Stabilization of B-carotene in dried, crude mold mycelium and/or extraction by simple low-cost procedure as a contribution to commercialization of B-carotene produced by fermentation of cereal grain (contract)-----	100, 000
24. Histological and cytological studies to determine the mode and site of milky disease infection in the Japanese beetle as an aid to developing a process for the mass production of <i>Bacillus popilliae</i> and <i>Bacillus lentimorbus</i> spores or vegetative cells as an insecticide harmless to man (contract)-----	120, 000
25. Alteration of fermentatively important characteristics of microorganisms by selective transfer of genetic materials as a means of developing novel strains for conversion of cereal based media to new and industrially useful products (grant)-----	90, 000
26. Studies of mutation and genetic change in multinucleate forms to obtain fundamental information as a basis for further development of fermentative transformation of cereal-type substrates (memorandum of understanding)-----	90, 000

FOOD USES FOR CEREAL GRAINS

27. Determination of the mechanism of fermentation of selected flavor and aroma compounds in bread crust by means of radioactive tracer techniques (grant)-----	\$140, 000
28. Identification and characterization of oxidation-reduction enzyme systems in wheat flour as a basis for determination of their relationships to oxidative improvement of flours (grant)-----	100, 000
29. Investigation of the carrying power of Hard Red Winter wheat flours in blends with weak flours (Department laboratory)-----	75, 000
30. Chemical characterization of the pigments of wheat bran and aleurone as a basis for color removal treatments to provide for development of new food products primarily from red wheats (contract)-----	75, 000
31. Rheology of doughs—determination of the chemical and physical parameters of protein molecular networks in wheat flour doughs fundamentally responsible for their essential elastic and flow properties (grant)-----	200, 000
32. Study of physical structures at the macromolecular levels in wheat flours and doughs to provide an understanding of the mechanisms by which doughs are formed (grant)-----	220, 000
33. Study of changes in wheat protein components during malting under varied conditions leading to development of new food products (contract)-----	100, 000
34. Determination of the mechanisms by which shortenings of different types contribute to quality in bread (contract)-----	115, 000
35. Determination of the cooking and other processing properties of various rices in relation to their lipid and protein composition (contract)-----	100, 000

FEED USES FOR FORAGES AND CEREAL GRAINS

36. Development of improved processed grasses of the Southeastern States to provide high quality feedstuff supplements and to provide industries for rural areas (contract)-----	100, 000
37. Research on the modification of wheat millfeed polysaccharides which are not split by digestive enzymes of animals (grant)-----	100, 000
38. Chemical treatment of alfalfa products to increase their utility in feeds (contract)-----	100, 000
39. Development of equipment and a process to produce a germ-rich fraction suitable for use in the recovery of corn oil from corn (contract)-----	120, 000

COTTON, WOOL, AND OTHER FIBERS

Cotton

Cotton goes into hundreds of different end-use products, each with a different set of performance characteristics that largely determine how much of the many different types of textile fibers available today will be used. In clothing fabrics, comfort, appearance, and ease-of-care are the dominant factors; in household uses appearance and durability are the dominant factors; and in industrial uses durability and cost are of primary importance. In the proposed expanded program of research, the major opportunities for maintaining and expanding the use of cotton lie in improving cotton with respect to these dominant characteristics.

Wool and mohair

One-third of the gross farm income derived from the production of sheep and lambs comes from the sale of wool and two-thirds from the meat. It is therefore imperative that the competitive position of sheep and lamb meat be enhanced along with that of wool to insure an economically healthy sheep and wool industry. (Research on the meat is included in the section on "Poultry, Dairy, and Animal Products.")

About 85 percent of domestically produced wool goes into wearing apparel and another 10 percent into such other uses as blankets, draperies, and upholstery fabrics. Factors that dominate consumer choice in buying wool textiles are comfort, appearance, ease-of-care, durability, and cost, similar to those for cotton. Wool continues to hold a prestige position in apparel uses, but its position is being strongly challenged by synthetic fibers. This challenge can be met by improving the desirable characteristics of wool and imparting additional ones to strengthen its competitive position relative to synthetic fibers.

Proposed research and development:

COTTON

COMFORT

- | | |
|---|------------|
| 1. Development of optimum structures and weaving techniques for producing stretch cotton fabrics from stretch yarns (contract)--- | \$100, 000 |
| 2. A study of wet-cure methods for producing crease-resistant cotton fabrics having increased bulk and warmth (contract)----- | 70, 000 |
| 3. Influences of physical properties of fibers and fabrics on comfort factor in clothing (contract)----- | 80, 000 |
| 4. The development of high pressure fog treatments for application of functional finishes to cotton fabrics with 2-way stretch properties (contract)----- | 75, 000 |
| 5. Development of wash-wear cotton fabrics with improved moisture absorption (contract)----- | 70, 000 |

APPEARANCE

- | | |
|---|----------|
| 6. A fundamental investigation of the physics of seam pucker in relation to fabric structure to develop improved wash-wear products (contract)----- | 70, 000 |
| 7. Development of method for counting neps at the various stages of cotton textile processing (contract)----- | 100, 000 |
| 8. Electron microscope study of the location of dye in cotton fiber (grant)----- | 100, 000 |
| 9. Development of improved tufted floor covering from textured cotton yarns (contract)----- | 75, 000 |
| 10. Studies of the mechanisms that determine the soiling characteristics of cotton fabrics (grant)----- | 70, 000 |

EASE OF CARE

- | | |
|---|----------|
| 11. Effect of temperature and moisture on the performance characteristics of wash-and-wear fabrics (contract)----- | 85, 000 |
| 12. Crosslinking of chemically modified cotton to obtain more resilient cotton fabrics (grant)----- | 100, 000 |
| 13. A study of the relationship of drying and curing variables to process efficiency and to uniformity and quality characteristics of resin treated or chemically modified cotton (contract)----- | 80, 000 |
| 14. Effects of molecular shape, conformation, and configuration of organic compounds on cotton cellulose (grant)----- | 90, 000 |
| 15. Estimation of the micropore size of cotton cellulose by investigation of the uptake of polyelectrolytes of various molecular sizes by chemically modified cottons (grant)----- | 70, 000 |
| 16. Preparation of new polyhalohydrins and polyepoxy compounds for use in making high quality cotton products (contract)----- | 70, 000 |
| 17. Development of the use of infrared heat for the instantaneous drying and curing of resin treated cotton and/or the promotion of chemical modifications of cotton cellulose (contract)----- | 80, 000 |
| 18. Microscopical studies of wrinkle geometry in cotton fabrics (grant)----- | 80, 000 |
| 19. Preparation of phosphine analogs of selected ammonia compounds for the production of cotton finishes having multipurpose end uses (grant)----- | 100, 000 |
| 20. Development of chemical treatments to produce cotton fabrics that dry more rapidly (contract)----- | 100, 000 |

COTTON—Continued

DURABILITY AND COST

21. Chemical modification of cotton through treatment with reagents in the vapor phase (contract)-----	\$80, 000
22. The development of cotton sewing threads with improved weather resistance to reduce processing costs (contract)-----	60, 000
23. Production of cotton fabrics with improved weather and abrasion resistance through interfacial polymerization (contract)-----	80, 000
24. Electron microscopical comparison of thinwalled and thickwalled cotton fibers in relation to physical properties and chemical activity of cotton (grant)-----	50, 000
25. The development of accelerated test procedures that correlate with outdoor exposure of cotton fabrics to expedite development research (contract)-----	65, 000
26. Relationship of cotton fiber elongation and tenacity to fabric properties and processing efficiency (memorandum of understanding)-----	80, 000
27. Effect of the interaction of the staple length and fineness of cotton fibers on processing efficiency and product quality (memorandum of understanding)-----	60, 000
28. Phosphite esters of cellulose as a means of preparing flame-, soil-, and wrinkle-resistant cotton textiles (contract)-----	80, 000
29. Development of improved coated cotton fabrics with optimum strength-weight characteristics (contract)-----	70, 000
30. The preparation of metallo-organic complexes of cellulose in fiber form as a method of improving cotton textiles (grant)-----	100, 000
31. Expand research to develop a machine for removing short fibers from cotton (Department laboratory)-----	25, 000
32. Development of apparatus for forming picker laps directly from the SRRL opener-cleaner (Department laboratory)-----	40, 000

WOOL AND MOHAIR

33. Development of superior all-wool, high-stretch fabrics (Department laboratory)-----	75, 000
34. Development of more durable and economical antisoiling treatments to help wool fabrics compete more favorably for consumer acceptance (contract)-----	150, 000
35. Developing means of modifying mohair so that it can be processed on the U.S. system of worsted yarn manufacture (Department laboratory)-----	50, 000
36. Research to develop wool fabrics with permanent high luster (Department laboratory)-----	50, 000
37. Exploratory studies on the application of high energy radiation combined with chemical treatments to produce durably modified wools having greater resistance to heat, light and mechanical damage, increased elasticity, and improved resistance to wrinkling (memorandum of understanding)-----	100, 000

FRUITS AND VEGETABLES

Fruits and vegetables make up one-third of our food; we consume 10 pounds per person each week and get from it a rich variety in the diet and essential nutrients.

A new processed food, convenient and timesaving in preparation for the table, excellent in quality, and acceptable in price can revolutionize the production and distribution of a commodity to the advantage of grower and consumer alike. Citrus fruit, potatoes, and poultry are prime examples.

Fruits and vegetables can be among the most profitable of crops; they should find greater use in the American diet and significant markets can be found abroad. The problems are to stabilize these perishable foods; to improve products; to make convenient their preparation for the table; and to reduce costs to the consumer.

The most attractive opportunities to achieve these aims are dehydration and the development of new convenience foods. Development of new products of these types should be rapidly prosecuted to capitalize on research findings already made. Basic work on the nature of flavors, the compounds responsible for texture, and ways of stabilizing flavor, texture, and nutritional value is essential to back up the continuing research on process development.

Proposed research and development:

CITRUS FRUIT

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| 1. Development of a practical pilot plant process for the manufacture of enzymatically debittered grapefruit juice with improved product characteristics and processing efficiency to extend the utilization of grapefruit (contract)..... | \$100, 000 |
| 2. Study of enhancement of citrus flavor by means of enzymes (contract)..... | 75, 000 |
| 3. Investigations on chemical composition of glyceryl esters and other lipid fractions of citrus juices in relation to off-flavor development in storage (contract)..... | 50, 000 |
| 4. Biochemistry of bitterness in navel orange juice including a study of the mechanism of natural debittering, leading to new navel orange products (grant)..... | 75, 000 |

DECIDUOUS FRUIT AND NUTS

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| 5. Investigation of low-temperature liquid extraction of fruit juices to prepare superior fruit flavor concentrates for use in concentrated and powdered fruit juices (Department laboratory)..... | 75, 000 |
| 6. Composition of flavor components of peaches (contract)..... | 50, 000 |
| 7. Improved stability of shelled pecans (contract)..... | 50, 000 |
| 8. Chemical studies on the phenolic substances responsible for turbidity and sedimentation in canned apple juice (contract)..... | 75, 000 |
| 9. Development of dehydrofrozen red sour pie cherries for use in bakery products and for export trade (contract)..... | 75, 000 |
| 10. Biochemistry of inositol in fruits to provide basic knowledge of texture (memorandum of understanding)..... | 75, 000 |
| 11. Development of "dehydrochilled" fruits (and vegetables)—partially dehydrated products capable of being handled at temperatures in the range of 32° to 40° F.—in order to reduce packaging, warehousing, and transportation costs (contract)..... | 100, 000 |
| 12. Aseptic canning of piece-form fruits (and vegetables) in inert or reducing atmospheres to enhance quality and stability (contract)..... | 100, 000 |
| 13. Survey of the distribution of O-methyltransferase enzyme systems in plants to discover a source of them for controlling browning in processed fruits (and vegetables) (grant)..... | 50, 000 |

VEGETABLES

14. Investigations on the development of new and improved processed potato products involving determination of compositional factors related to processing characteristics and application of new engineering techniques for dehydrating potatoes (contract)-----	\$100, 000
15. Studies of the suitability of new varieties and strains of potatoes for processing and of the influence of cultural factors on processing characteristics, and the application of basic information developed by utilization research to problems in commercial potato processing (memorandum of understanding)-----	100, 000
16. Investigations of the lipids of dry legumes and their oxidative degradations as a basis for improving the quality and stability of processed legume products (Department laboratory)-----	75, 000
17. Development of a continuous, commercial-scale process for making "instant" powders from dry beans, peas, and lentils for domestic and foreign markets, and the production of sufficient quantities for market tests (contract)-----	100, 000
18. Development and construction of a continuous puffing apparatus for the preparation of quick-cooking dehydrated vegetable (and fruit) pieces by a process already developed on a batch pilot-plant scale through Government research (contract)-----	200, 000
19. Investigations on the development of heat resistance in spores of food spoilage bacteria to provide information needed to improve the quality of canned vegetables and other low-acid foods (grant)-----	100, 000
20. Improved procedures and equipment for the blanching and cooling operations in vegetable processing in order to reduce costs and to enhance the quality and stability of processed vegetable products (contract)-----	100, 000
21. Investigation of chemical additives for controlled fermentation during the brine curing of vegetables (contract)-----	25, 000
22. Determination of the kinds and amounts of pigments in processing varieties of cucumbers and the cause, mechanism, and nature of bleaching deterioration in processed products (contract)-----	90, 000
23. Development of objective information on the chemical and physical characteristics of southern peas of different size-grades and maturities as a basis in canning for the reliable prediction of drained weight from canfill (contract)-----	80, 000
24. Chemistry of the proteins in green and dry lima beans in order to establish their roles in the hydration and cooking processes (grant)-----	50, 000
25. Investigation of the biochemical, histochemical, and histological changes which occur in the brine curing of vegetables (grant)---	40, 000

OILSEEDS

Markets for oilseeds can be expanded and returns to the grower increased through increased exports, through new industrial products not competitive with others derived from agricultural raw materials, and through the development of new foods having advantage in quality or price.

Nature has built into fats and oils advantages in chemical structure that fit them uniquely for use as industrial raw materials. Over 1 billion pounds of domestic oils are so used today and diligent research will obtain for them a significance share of the new chemical markets that are daily being generated by the rapid expansion of that industry.

The fats and oils are also important foods of which most of the world's population uses much less than we. Multibillion-pound dollar markets for them can be had in Europe and Asia if first-rate stability and competitive price can be achieved. Other parts of the world have yet more serious need for attractive products, not only for the oils, but for the protein of the meals as well.

Proposed research would be directed to (1) enhancing the intrinsic value of oils and meals to facilitate competition, especially in foreign markets; (2) developing new food products; and (3) preparing derivatives designed to compete in nonfood markets for plastics, elastomers, surface active agents, and others which now total 12 billion pounds annually and are growing rapidly.

Proposed research and development:

IMPROVED OILS AND MEALS

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| 1. Intensification of research to determine the feeding value of cottonseed meals and the commercial value of oils produced by the mixed-solvent extraction process, and to estimate commercial-scale processing costs (Department laboratory)----- | \$75, 000 |
| 2. Determination of mechanisms by which gossypol has deleterious effects (mortality, clinical symptoms, appetite depression, etc.) in nonruminant animals (memorandum of understanding)----- | 75, 000 |
| 3. Nutritive studies of cottonseed meal using carbon 14 labeled malvalic acid (memorandum of understanding)----- | 50, 000 |
| 4. Investigations to discover more effective and lower cost adsorbents for bleaching off-colored cottonseed oils and to develop new processing techniques for improving color (contract)----- | 100, 000 |
| 5. Development of practical processing methods for inactivation of cyclopropene groups in cottonseed meal that decrease its value as a feed for laying hens (contract)----- | 100, 000 |
| 6. Investigations to compare the composition and properties of varieties of upland cottonseed to improve the utilization of cottonseed products through the discovery of varieties that yield best oils and meals (contract)----- | 100, 000 |

NEW FOOD PRODUCTS

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| 7. Basic investigations on determination of structure of fatty acids and other lipids through the use of nuclear magnetic resonance (grant)----- | 75, 000 |
| 8. Isolation and identification of factors present in soybeans deleterious to their use in foods (grant)----- | 75, 000 |
| 9. Isolation and identification of organic compounds contributing to undesirable flavors in soybeans and soybean protein food products (grant)----- | 75, 000 |
| 10. Engineering investigations on the cooking of whole soybeans to develop an integrated process for producing a full-fat flour or meal for human food and for animal feed products (Department laboratory)----- | 65, 000 |
| 11. Low-fat peanut products of improved acceptability and flavor through mechanical operations (contract)----- | 50, 000 |
| 12. Investigation of the development of peanut and cottonseed products for use in preparation and fortification of processed and convenience foods to extend usefulness of peanut and cottonseed (contract)----- | 100, 000 |
| 13. Metabolic fate of fatty alcohols and high molecular weight derivatives of fatty acids as digestive fragments of food emulsifiers and additives (contract)----- | 60, 000 |

INDUSTRIAL PRODUCTS

14. Investigations on the hydroboration of unsaturated fatty acids and on the products derived therefrom (grant)-----	\$125, 000
15. Organophysical chemical investigations on the addition of active oxygen and/or nitrogen to polyunsaturated fatty acids (grant)---	50, 000
16. Fundamental studies on oxidation, with atmospheric oxygen, of soybean and linseed oils to provide a basis for preparation of new products for industrial uses (memorandum of understanding)---	75, 000
17. Process and product development of industrial applications of aldehyde oils derived from linseed, safflower, and soybean oils (contract)-----	150, 000
18. Development of industrial uses for linolenic acid, the major component in linseed oil, to give superior drying oils, synthetic resins, and other products to increase markets for linseed oil (contract)--	145, 000
19. Investigations on the preparation of new derivatives from unsaturated cyclic fatty acids derived from linseed oil and on their utilization in industrial nonfood products (contract)-----	150, 000
20. Investigations on vinyl copolymerization of soybean linseed oils and their derivatives to develop improved paint vehicles for exterior use (contract)-----	150, 000
21. Evaluation of polyester-acetals and polyamide-acetals derived from soybean oils for use in coating glass (contract)-----	100, 000
22. Basic investigations on the hydration of linseed and soybean oils and their unsaturated fatty acid products (Department laboratory)-----	75, 000
23. Investigation of continuous production of urethane plastic foams based on castor oil to develop formulations and processing conditions suitable for industrial use (contract)-----	100, 000
24. Preparation, structure, and properties of linear condensation polymers derived from hydroxy-unsaturated oils (grant)-----	100, 000
25. Preparation of phosphorus-containing tung oil vehicles for air drying surface coatings having improved flexibility, corrosion inhibition, fire resistance, and other properties (contract)-----	90, 000

NEW AND SPECIAL PLANTS

This group of commodities includes tobacco; sugar-containing crops—sugarbeets, sugarcane, and maple; naval stores; and so-called new crops—selections from plant species that are not grown commercially in this country but show good potential for development into profitable crops.

Tobacco

The cash farm value of tobacco is more than \$1 billion and yields more than \$2 billion in Federal and State taxes. Growers and processors are handicapped with lack of scientific knowledge of the composition of tobacco and tobacco smoke. Such knowledge is needed to establish optimum conditions for curing, aging, fermenting, and the burning of tobacco to better meet changing and more exacting domestic requirements and increasing competition in a declining tobacco export market.

Sugarbeets and sugarcane

Production of sugar is limited through quotas established by the Sugar Act which prevent the accumulation of a surplus of sugar by limiting production to estimated requirements. Losses in the beet sugar industry include a 14-percent loss of sugar from the beets to the bag; those in the cane sugar industry are around 20 percent. Each percent loss of sugar amounts to \$2 million for the sugarbeet grower; \$2¼ million for the domestic sugarcane grower. Expanded and economically sound domestic production and utilization of sugarbeets

and sugarcane require broad basic research with concurrent application of results to the handling of the harvested beets and cane as well as the development of processes to reduce processing costs and to insure maximum recovery of available sugar.

Maple

The maple industry provides an opportunity for thousands of rural people in 14 States to improve their incomes. Production of maple sirup yields up to \$250 per acre of woodland. Fewer than 5 percent of our maple trees are in use although U.S. consumption of maple sirup is twice domestic production. The problem is modernization of maple sap processing to substantially reduce the cost of producing high grade maple sirup and other maple products.

Naval stores

Pine gum, gum rosin, and gum turpentine provide a cash income for 4,000 gum farmers in the southeastern section of the United States. The economic position of these materials has been greatly worsened through intense competition from petroleum products and from turpentine and rosin derived from other sources. Sales and prices for turpentine have declined more than 50 percent during the past 10 years and substitute products have made heavy inroads in the markets for gum rosin. Utilization research has already done much to maintain markets and offers a special opportunity to provide new and expanded markets by developing industrial chemicals from turpentine and improved paper sizes from pine gum and gum rosin.

New crops

There is need for new crops as sources of raw materials for industry and to provide farmers with a wider choice of profitable crops to achieve better use of land. Examples of new crops that have achieved success over the past 30 years are: soybeans, 28 million acres; safflower, 600,000 acres; guar, 100,000 acres; castor beans, 30,000 acres.

The Department's program in search of new crops was expanded in 1957. Since then about 3,500 samples out of the known 250,000 species of higher plants have been analyzed. Of particular interest are seeds containing unique oils of potential industrial use. Seven uncultivated plants yielding oils different from domestic oils have been found and are now being studied to determine their industrial utilization and crop potentials.

The discovery and development of a plant into an economic crop is a formidable undertaking. A more intense effort is required if an adequate rate of progress is to be achieved.

Proposed research and development:

TOBACCO

1. Fractionation of previously unfractionated resins in tobacco leaf.
Effect of such resins on the burning of tobacco leaf (grant)----- \$200, 000

SUGARBEETS AND SUGARCANE

2. The discovery of blocking agents for the aerobic pathways responsible for respiration losses of sucrose in sugarbeets (grant)----- 100, 000
3. Expediting development and application of improved sugarcane processing methods (memorandum of understanding)----- 100, 000

MAPLE SIRUP

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| 4. The establishment and operation of an experimental maple sap evaporation plant (contract)----- | \$100, 000 |
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NAVAL STORES

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| 5. Preparation of improved paper size from pine gum and rosin (Department laboratory)----- | 20, 000 |
| 6. Catalytic dimerization of alloocimene, myrcene, and other terpenes (contract)----- | 75, 000 |
| 7. Evaluation of monomers derived from naval stores as intermediates for preparation of polymers useful for protective coatings, plastics, rubberlike products and similar materials (contract)----- | 80, 000 |
| 8. Reacting acetylene and selected terpene-derived compounds (grant)----- | 75, 000 |

NEW CROPS

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| 9. Investigations of the thioglucosidase, lipase, and other enzyme systems of crambe seed as a basis for understanding and controlling the changes that may occur during seed processing (Department laboratory)----- | 50, 000 |
| 10. Chemical investigations on the economic production, purification, derivatization, and properties of difunctional 13-carbon cleavage products of erucic acid as a basis for developing expanded industrial usage for seed oils of high erucic acid content (contract)--- | 120, 000 |
| 11. Preparation and evaluation of a variety of surfactants, emulsifiers, and related products from erucic acid oils, erucic acid, and 11-eicosenoic acid as a basis for establishing preferred industrial uses for crambe and related cruciferous oilseeds (contract)----- | 120, 000 |
| 12. Exploratory investigations of chemical reactions involving the introduction of reactive groups into vegetable oils or their fatty acids, such as the oils containing petroselenic acid and the seed oil of <i>Limnanthes douglassii</i> (grant)----- | 60, 000 |

POULTRY, DAIRY, AND ANIMAL PRODUCTS

Poultry, dairy, and animal products present the best opportunity for greatly increasing the use of agricultural crops and acres and, at the same time, providing the consumer with more of the nutritionally desirable animal foods they prefer.

Each pound of milk solids or meat (dressed weight) requires about 12 pounds of feed. Meat and poultry consumption is quite sensitive to price (elasticity -0.7). Improvements in production and processing which would reduce costs, and accordingly the retail price of meat, would substantially increase feed consumption—a 1-percent increase in livestock production would increase consumption of feed equivalent to 80 million bushels of corn.

The elasticity of demand for whole fluid milk is substantially less—a 40-percent reduction in retail price would result in a 10-percent increase in consumption—but dried whole milk products of excellent initial quality have been prepared in USDA pilot plants which would allow for such a reduction over present retail prices. Storage stability remains the principal problem.

Enhancement of return from hides, inedible fats, and wool through utilization research to devise new industrial products and to confer desirable competitive properties would contribute returns to the livestock industry which would be reflected through reduction in the price of meat at retail.

The other major contribution that utilization research can make to increasing use of livestock products is the development of new and attractive meat, dairy, and poultry products that will increase demand.

Research directed to stabilization of meat through freezing, irradiation, drying, or other procedures will contribute to realization of the potential labor, distribution, and byproduct-use economies of central processing. Development of wholly acceptable dry whole milk and dry whole eggs will reduce retail price by making possible distribution economies.

Leather can be made competitive in qualities and cost for apparel use; and traditional markets can be regained and new ones developed by chemical modification to make a first-rate leather product uniform in physical characteristics.

Fats can be converted to better detergents, to chemical intermediates, to new and better lubricants, plastics, and plasticizers.

New frozen, canned, or dried meat dishes, low-fat milk products, improved dairy spreads, new low-fat cheeses and other new, attractive, and convenient foods will further expand the demand for livestock products.

Proposed research and development:

DAIRY PRODUCTS

WHOLE MILK CONCENTRATES

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| 1. A study of the chemical reactions responsible for flavor stability in cheese and malted milk and application of these results in development of dry whole milk with better flavor stability (expansion of current Department research)----- | \$50, 000 |
| 2. A study of flavor in dry whole milk based on model systems constructed from the individual components and fractions of milk (expansion of current Department research)----- | 50, 000 |
| 3. A study of the effect of temperature and pressure on the solubility of gases in milk and milk concentrates, and the optimum conditions for preparation of foam-spray dry whole milk (Department laboratory—expansion of current research)----- | 50, 000 |
| 4. A study of the influence of temperature on the interfacial properties of milk fat and the factors influencing the wettability of phospholipid films (Department laboratory—expansion of current research)----- | 50, 000 |
| 5. Properties of the components of milk related to physical changes during processing and storage. Interactions of the proteins and the effect of polyphosphates thereon; properties of the stabilizing kappa-casein (Department laboratory—expansion of current research)----- | 75, 000 |
| 6. Chemical study of lactones which arise from heat processing of milk and produce undesirable flavors (memorandum of understanding)----- | 50, 000 |
| 7. Flavors and their precursors in milk derived from pasture or dry feeding practices (memorandum of understanding)----- | 50, 000 |

BUTTERFAT AND ITS PRODUCTS

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| 8. Development of beverage-quality fluid milk concentrates by reconstitution in foreign countries from nonfat dry milk and anhydrous butter oil (contract)----- | 150, 000 |
| 9. New uses for butterfat by separation into lower and higher melting fractions—evaluation of stability of these fractions for use in foods (contract)----- | 75, 000 |
| 10. Studies on the desirable flavors of butter—fractionation of butter oil and identification of specific flavor contributing compounds and their precursors (grant)----- | 100, 000 |

DAIRY PRODUCTS—Continued

NONFAT DRY MILK

11. Study of the effect of flour on milk proteins in recently developed continuous dough mixing process (contract)----- \$100, 000

LOW-FAT DAIRY PRODUCTS

12. Commercial scale development of manufacturing process for new low-fat cheese (cheddarlike) discovered in laboratory research (contract)----- 100, 000
13. Fundamental investigations of mutational changes and genetic recombination in lactic acid and flavor-forming bacteria used in making starters in cheese and other milk products (grant)----- 100, 000

MEAT

LOWER COST—PROCESSED MEAT PRODUCTS

14. Studies of chemical and microbiological factors involved in the freezing of meat: Chemical, physical, and biological factors involved in the development of oxidative rancidity in fats, fat tissues, and meats (grant—expansion of current Department research)----- 100, 000
15. Studies of the physical and chemical characteristics of meat structure to obtain basic information needed in developing improved methods of meat processing: Meat protein composition in relation to tenderness and juiciness (grant—expansion of current Department research)----- 100, 000
16. Development of new or improved meat processing methods and products: Studies on the effect of irradiation on native muscle enzymes (contract)----- 100, 000
17. Development of improved methods for preparing freeze-dried meats in order to provide a wider range of freeze-dried products (grant)----- 150, 000
18. Studies on microbiological aspects of meat processing in order to provide new and more desirable products: Survival of pathogenic microorganisms during curing and smoking. (grant)----- 150, 000
19. Development of new or improved meat processing methods and products: Development of rapid techniques for dry sausage production to reduce time in process and improve flavor (memorandum of understanding)----- 150, 000

NEW AND ATTRACTIVE PRODUCTS

20. Improving the quality of meat and meat products through studies on the recovery and identification of the substances responsible for the flavor and aroma of meat (grant—expansion of current Department research)----- 100, 000
21. Development of new frozen meat products and determination of their time-temperature-tolerance relationships in order to develop new avenues for the utilization of meats (contract)----- 100, 000
22. Development of new fabricated products for increased meat utilization, including new lamb and mutton products (memorandum of understanding)----- 150, 000
23. Development of new smoked meat products that will apply new basic knowledge and provide new avenues for meat utilization (memorandum of understanding)----- 100, 000

HIDES

MODIFICATION OF HIDES

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| 24. Chemical modification of hide proteins by introduction of new and additional reactive sites for increasing the tanning and binding capacity in order to develop new and improved products that will create nonconventional markets for animal hides (Department laboratory)----- | \$100, 000 |
| 25. Development of new products through the dispersion and reconstitution of the collagen fiber structure as films, fibers, or sponge form to create new outlets for hides and skins (grant)----- | 100, 000 |
| 26. Investigations on the reaction of chromium complexes with collagen and its derivatives to determine the mechanism of chrome tanning in order to obtain information for development of products with improved properties which will aid in meeting severe competition of synthetic leather substitutes (grant)----- | 100, 000 |

LOWER COST LEATHER PRODUCTS

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| 27. Studies on the physical properties of collagen and leathers to obtain basic information for use in developing products with improved service performance and utility to enhance leather's competitive position with substitutes (grant)----- | 100, 000 |
| 28. Fundamental studies on the effect of processing of hides on the physical properties of leather in order to obtain information for developing greater uniformity to meet the requirements imposed by automation in shoe production and thus lower costs (grant) -- | 200, 000 |

ANIMAL FATS

SYNTHETIC DETERGENTS

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| 29. Investigation of soap-detergent combinations based on inedible animal fats (grant—expansion of current Department research)----- | 100, 000 |
| 30. Interfacial adsorption characteristics of sodium salts of alkyl esters of alpha-sulfo fatty acids as related to their wetting and detergent actions (grant)----- | 75, 000 |

LUBRICANT AND LUBRICANT ADDITIVES

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| 31. Radiation induced reactions of epoxides looking to the production of fatty derivatives with unique lubricant properties (grant)---- | 200, 000 |
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PLASTICS AND PLASTICIZERS

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| 32. Preparation, polymerization, and copolymerization of polymerizable amides from animal fats (grant—expansion of current Department research)----- | 100, 000 |
| 33. Preparation of long-chain products from epoxidized and hydroxylated derivatives of inedible animal fats for use in the external and and internal modification of polymers (grant)----- | 100, 000 |

INDUSTRIAL CHEMICAL INTERMEDIATES

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| 34. Synthesis of chemical intermediates—derivatives containing phosphorus, sulfur, oxygen, and nitrogen—from animal fats (grant) -- | 100, 000 |
| 35. Mass spectrometric study of functional derivatives of long-chain fatty acids (grant)----- | 200, 000 |
| 36. Synthesis of pure model triglycerides and position isomers, such as occur in lard, for fundamental studies on relation of structural configuration to physical and rheological properties (grant)---- | 125, 000 |

POULTRY AND EGGS

POULTRY MEAT PRODUCTS

37. Expansion of the quantitative evaluation of volatile poultry flavor components in order to predict and control their contribution to the flavor of processed poultry products (Department laboratory)...	\$75, 000
38. Development of commercial freeze-drying procedures and equipment for piece-size chicken that will insure uniform complete drying with immediate recognition of end point (contract)-----	150, 000
39. Examination of the role of tissue proteins in the texture instability or irradiated poultry (contract)-----	75, 000
40. Study of changes in the actomyosin complex of proteins in poultry meat during aging and processing, by solubility and adenosine triphosphatase measurements, in order to identify causes for loss of texture and water-holding capacity (grant)-----	75, 000
41. Study of the occurrence and formation of inosinic acid and other nucleotides in poultry meat in relation to optimum flavor development (grant)-----	50, 000
42. Microbiology of psychrophilic (cold-tolerant) bacteria that cause food spoilage (grant)-----	50, 000
43. Determination of the role of sarcoplasmic proteins of poultry meat during aging and processing, by solubility and adenosine triphosphatase measurements, in order to identify causes for loss of texture and water-holding capacity (grant)-----	100, 000

EGG PRODUCTS

44. Modification of egg white by chemical, physical, or enzymic means to develop products for specific uses (contract)-----	100, 000
45. Appraisal of possible chemical, nutritional, or toxicological effects induced in egg components by promising pasteurization treatments (contract)-----	150, 000
46. Modification of egg product composition to increase effectiveness of pasteurization procedures (contract)-----	100, 000
47. Development of modified egg products to meet special convenience and dietary demand (contract)-----	100, 000
48. Studies of the effects of processing on the microstructure of egg products as a basis for controlling flavor stability, emulsifying power and dispersibility (contract)-----	75, 000
49. Characterization of poorly defined egg proteins and their role in egg product properties (grant)-----	100, 000

DETAIL OF CONSTRUCTION PLANS FOR FIRST YEAR

SOUTHEASTERN LABORATORY

Size and type

A building similar in design and construction to the Northern Laboratory is proposed. The structure would consist of a square U, approximately 65 feet by 260 feet on the legs and 200 feet across the front, three stories plus basement, and would provide approximately 71,000 square feet of net usable laboratory, office, library, and conference room space and approximately 33,000 square feet of net usable pilot plant space.

The laboratory space would provide for analytical, organic, physical, and biological chemical laboratories, instrument rooms, bacteriological laboratories and culture chambers, and for study and office rooms for professional and administrative personnel.

The pilot plant space would provide for commercial and semicommercial-scale food processing and oilseed processing equipment, and for tanks, presses, pumps, evaporators, driers, and other engineering equipment for chemical conversion and product preparation, testing, and evaluation.

Location

A suitable site would be selected in the Southeastern United States.

Cost of construction

Estimated cost, including architect fees, supervision, contingencies, and basic laboratory furnishings (e.g., laboratory benches, cabinets hoods), \$9,500,000.

Land

Adequate land would be obtained (federally owned, federally purchased, or donated) after a site is selected. A minimum of 10 acres of land would be needed for the laboratory and pilot plant facility, powerplant, service buildings, parking space, and access areas.

Design and plans

Building design and detailed construction plans are available.

Time for completion

Construction would require less than 3 years following authorization to proceed.

Needs and program

There is no Federal facility in the southeastern region for conducting utilization research on the important crops of the area. Utilization research on these crops is now being conducted as part of the programs of the four existing utilization research and development laboratories at New Orleans, La., Wyndmoor, Pa., Peoria, Ill., and Albany, Calif., all of which are operating at near full capacity. Space is inadequate in these laboratories to permit needed strengthening and expansion of research on the commodities assigned to them, including those of primary importance to the southeastern region.

Existing programs on important southeastern commodities would be transferred from the four existing laboratories to the new facility proposed. The new facility would provide the modern laboratory and pilot plant space and equipment needed to permit a more concerted basic and applied research attack upon the problems associated with the development of new, improved, and expanded uses for such commodities as poultry and eggs, fruits and vegetables, and other crops of the Southeast including peanuts, tung, and naval stores.

The entire utilization research program for screening and evaluating new crops as possible replacements for presently grown crops, would also be transferred to the Southeastern Laboratory from the other four utilization research divisions.

The availability of a facility for devoting exclusive attention to utilization research on southeastern crops would make it possible to use the space vacated by these programs in the present utilization research laboratories for needed strengthening of research on the commodities that would remain with them, including cotton, cottonseed, and sugarcane at New Orleans; cereals, soybeans, flaxseed, and other oilseeds at Peoria; dairy meat, animal fats, hides, and leathers, potatoes, and honey and maple products at Wyndmoor; and cereals, forages and feeds, fruits, vegetables, wool and mohair, and castorbeans, at Albany.

Research in the new facility would emphasize:

Poultry and eggs.—Development of dehydrated poultry meat; prevention of off-flavor development in precooked frozen poultry

products; prevention of toughness in frozen poultry; development of canned poultry products for export and special uses; improvement of the flavor, dispersibility, stability, and microbiological properties of dehydrated whole egg and egg yolk; development of expanded uses for egg white.

Peanuts.—Exploitation of the unique physical, chemical, and nutritive properties of peanut products such as peanut flour in convenience foods such as baked goods, confections, sauces and in the fortification of other types of flour in baked goods.

Naval stores.—Development of new and improved industrial products from the components of pine gum for use in surface coatings, paper size, lubricants, insecticides, plasticizers, and industrial chemicals.

Tung.—Development of fire-retardant surface coatings, plastics, and other industrial chemicals from tung oil.

New crops.—The screening and characterization of large numbers of plant species in the search for new, profitable crops, noncompetitive with existing crops, that can be grown on acres now producing surplus cereals and cotton; chemical and processing research to accelerate determination of the utilization potential of products from selected new crops.

Fruits and vegetables.—Development of citrus and other fruit and vegetable juice powders; development of improved fruit juices and high-moisture dried fruits; development of rapidly rehydrating fruit and vegetable pieces; improvement and development of new fermented vegetable products.

Staffing and operating costs

The staffing level would be approximately 270 professional personnel and essential supporting personnel (administrative service, laboratory assistants, shop, building, and maintenance)—approximately 200 to be located at the new facility and the remaining 70 at existing field stations at Olustee, Fla. (naval stores); Winter Haven, Fla. (fruits and vegetables); Weslaco, Tex. (fruits and vegetables); and Raleigh, N.C. (fermented vegetables), to be associated with the Southeastern Utilization Research and Development Division.

The operating costs would be approximately \$5 million at the headquarters and \$1,750,000 for the associated field stations, a total of approximately \$6,750,000.

Sources of personnel and funds

Operation of the proposed new Southeastern Research and Development Division (Southeastern Regional Research Laboratory and associated field stations) would be carried out by transfer of professional personnel working on the commodities to be assigned to the new Division along with necessary funds. Transfer of four field stations now of the Southern Utilization Research and Development Division to the new Southeastern Division would be a jurisdictional transfer.

EXPANSION OF NORTHERN LABORATORY

Size and type

It is proposed (A) to construct an addition to the existing main building of the Northern Utilization Research and Development Laboratory, Peoria, Ill., consisting of an L-shaped extension with

three floors and basement, providing 62,000 square feet of usable space. Construction would include basic, fixed laboratory equipment such as hoods, benches, sinks, etc. The addition would provide space for 72 chemical laboratories on three floors, plus laboratories that could appropriately be constructed in the basement. Compressor room, cooling tower, and other facilities necessary for the new extension would be housed in an addition to the present service building.

It is proposed (B) to convert the present alcohol pilot plant to general pilot plant space, providing an additional 9,500 square feet. Specialized alcohol pilot plant equipment, no longer used, would be removed and the space redesigned. Balconies would be constructed and necessary mechanical services would be provided. A freight elevator to the service area would be installed.

Cost of construction

Estimated cost, including architectural fees, supervision, contingencies, and basic laboratory furnishings for the main building extension (A), \$7.5 million; for conversion of the alcohol pilot plant (B), \$0.5 million.

Land

Federal land is available at the present site for the proposed construction.

Design and plans

Preliminary plans and design criteria are available from which final plans could be readily prepared.

Time for completion

Construction would require less than 3 years following authorization to proceed.

Need for expansion

The Northern Laboratory, constructed in 1940, is the major Federal facility most concerned with the development of industrial uses for major cereal and oilseed crops. The laboratory is operating at near full capacity, making it impossible to add the personnel needed to carry out its research program on a scale commensurate with its potential. The need for the research is urgent and it has real promise for developing expanded economic markets for the cereals and oilseeds.

The present facilities at Peoria were originally designed for a staff of 300. By converting some basement and pilot plant space into laboratories, and by crowding of laboratories and offices, it has been possible to house a staff of 400. Only limited additional staff can be accommodated. Research which required a special alcohol pilot plant has now been completed. The utility of this part of the building can be greatly increased by converting it to general use. This type of space is needed for developmental work related to many of the chemical research projects at the laboratory.

CONSTRUCTION PLANS FOR SECOND YEAR

Location and nature of construction:

Western Utilization Research and Development Division:		<i>Estimated cost (thousands)</i>
Albany, Calif.:		
Additional wing-----		\$4, 400
Renovate and expand service equipment-----		430
Pasadena, Calif.: Remodeling to provide additional laboratory space-----		90
Southern Utilization Research and Development Division:		
New Orleans, La.:		
Additional wing-----		4, 300
Expansion of refrigeration plant-----		340
Olustee, Fla.: New laboratory for naval stores research-----		300
Weslaco, Tex.: Remodeling to provide for additional labora- tories and facilities-----		200
Eastern Utilization Research and Development Division:		
Wyndmoor, Pa.:		
Additional wing-----		4, 300
Alteration of pilot plant and construction of storage facility-----		1, 000
Total-----		15, 360

The additional wings proposed for the main buildings at Albany, Calif., New Orleans, La., and Wyndmoor, Pa., would consist of three floors and basement construction to close the open ends of the existing buildings or to provide for equivalent space by another type of construction at the same site. Such construction would provide space for 40 additional laboratories on 3 floors, plus laboratories that might appropriately be constructed in the basement.

The laboratories thus provided would be used for expansion of utilization research programs at the three laboratories as follows: At Albany, on wheat and other grains, forages, wool, fruits, vegetables, castor beans, and sugarbeets; at New Orleans, on cotton, cottonseed, sugarcane, and rice; at Wyndmoor, on milk, meat, animal fats, hides and leather, honey, maple, fruits, vegetables, and tobacco.





Calendar No. 476

88TH CONGRESS
1ST SESSION

H. R. 6754

[Report No. 497]

IN THE SENATE OF THE UNITED STATES

JUNE 10, 1963

Read twice and referred to the Committee on Appropriations

SEPTEMBER 12, 1963

Reported by Mr. HOLLAND, with amendments

[Omit the part struck through and insert the part printed in italic]

AN ACT

Making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the Depart-
5 ment of Agriculture and related agencies for the fiscal
6 year ending June 30, 1964; namely:

DEPARTMENT OF AGRICULTURE

TITLE I—GENERAL ACTIVITIES

AGRICULTURAL RESEARCH SERVICE

SALARIES AND EXPENSES

For expenses necessary to perform agricultural research relating to production, utilization, ~~marketing~~, nutrition and consumer use, to control and eradicate pests and plant and animal diseases, and to perform related inspection, quarantine and regulatory work, and meat inspection: *Provided*, That appropriations hereunder shall be available for field employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$75,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a) : *Provided further*, That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed two for replacement only: *Provided further*, That appropriations hereunder shall be available pursuant to title 5, United States Code, section 565a, for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of constructing any one building (except headhouses connecting greenhouses) shall not exceed \$20,000, except for ~~five~~ two buildings to be constructed or improved at a cost not to exceed ~~\$40,000~~ \$50,000

1 each, and the cost of altering any one building during the
 2 fiscal year shall not exceed \$7,500 or 7.5 per centum of the
 3 cost of the building, whichever is greater: *Provided further,*
 4 That the limitations on alterations contained in this Act
 5 shall not apply to a total of \$100,000 for facilities at Belts-
 6 ville, Maryland:

7 Research: For research and demonstrations on the pro-
 8 duction and utilization of agricultural products; agricultural
 9 marketing and distribution, not otherwise provided for, in-
 10 cluding related cost and efficiency evaluations; home eco-
 11 nomics or nutrition and consumer use of agricultural and
 12 associated products; and related research and services; and
 13 for acquisition of land by donation, exchange, or purchase
 14 at a nominal cost not to exceed \$100, ~~\$94,045,000~~ \$91,811,-
 15 700 ; plus \$400,000, to remain available until expended, for
 16 construction, alteration, and equipping of facilities; in all
 17 ~~\$94,445,000~~: *Provided, That,* in addition, not more than
 18 \$5,000,000 may be transferred from the Commodity Credit
 19 Corporation to this appropriation, in accordance with the Act
 20 of June 29, 1948 (15 U.S.C. 714b), for cost of production
 21 and other research designed to decrease the present or future
 22 investment of the Commodity Credit Corporation in agricul-
 23 tural commodities, such research to be conducted through
 24 contracts and grants as authorized by the Act of August
 25 14, 1946, as amended : *Provided, That, in addition, not to*

1 *exceed \$35,000,000 may be transferred from the Commodity*
2 *Credit Corporation to this appropriation, in accordance with*
3 *the Act of June 29, 1948 (15 U.S.C. 714b), for utiliza-*
4 *tion research and development, cost of production research,*
5 *and other related research designed to reduce surplus com-*
6 *modities held or to be held by the Commodity Credit Corpora-*
7 *tion, and such amounts as are required for the construction,*
8 *alteration, and equipping of research facilities for utilization*
9 *research and development shall remain available until ex-*
10 *pended: Provided further, That hereafter the Administrator*
11 *of the Agricultural Research Service may enter into agree-*
12 *ments with and receive funds from any State, other political*
13 *subdivision, organization, or individual for the purpose of*
14 *conducting cooperative research projects with such coopera-*
15 *tors: Provided further, That the limitations contained herein*
16 *shall not apply to replacement of buildings needed to carry*
17 *out the Act of April 24, 1948 (21 U.S.C. 113 (a)) : Pro-*
18 *vided further, That the Secretary of Agriculture is authorized*
19 *to acquire approximately two-tenths of an acre of land at*
20 *Pasadena, California;*

21 Plant and animal disease and pest control: For opera-
22 tions and measures, not otherwise provided for, to control
23 and eradicate pests and plant and animal diseases and for
24 carrying out assigned inspection, quarantine, and regulatory
25 activities, as authorized by law, including expenses pursuant

1 to the Act of February 28, 1947, as amended (21 U.S.C.
2 114b-c, ~~\$59,505,000~~ \$66,821,500, of which \$1,500,000
3 shall be apportioned for use pursuant to section 3679 of the
4 Revised Statutes, as amended, for the control of outbreaks of
5 insects and plant diseases to the extent necessary to meet
6 emergency conditions: *Provided*, That no funds shall be used
7 to formulate or administer a brucellosis eradication program
8 for the current fiscal year that does not require minimum
9 matching by any State of at least 40 per centum : *Provided*
10 *further*, That no funds shall be available for carrying out
11 the screwworm eradication program that does not require
12 minimum matching by State or local sources of at least 50
13 per centum of the expenses of production, irradiation, and
14 release of the screwworm flies: *Provided further*, That, in
15 addition, in emergencies which threaten the livestock
16 or poultry industries of the country, the Secretary may
17 transfer from other appropriations or funds available to
18 the agencies or corporations of the Department such sums
19 as he may deem necessary, to be available only in such emer-
20 gencies for the arrest and eradication of foot-and-mouth
21 disease, rinderpest, contagious pleuropneumonia, or other
22 contagious or infectious diseases of animals, or European
23 fowl pest and similar diseases in poultry, and for expenses in
24 accordance with the Act of February 28, 1947, as amended,
25 and any unexpended balances of funds transferred under

1 this head in the next preceding fiscal year shall be merged
2 with such transferred amounts;

3 Meat inspection: For carrying out the provisions of laws
4 relating to Federal inspection of meat, and meat-food prod-
5 ucts, and the applicable provisions of the laws relating to
6 process or renovated butter, ~~\$27,638,000~~ \$28,126,250.

7 Special fund: To provide for additional labor to be
8 employed under contracts and cooperative agreements to
9 strengthen the work at research installations in the field, not
10 more than \$1,000,000 of the amount appropriated under this
11 head for the previous fiscal year may be used by the Admin-
12 istrator of the Agricultural Research Service in departmental
13 research programs in the current fiscal year, the amount so
14 used to be transferred to and merged with the appropriation
15 otherwise available under "Salaries and expenses, Research".

16 *SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY*
17 *PROGRAM)*

18 *For purchase of foreign currencies which accrue under*
19 *title I of the Agricultural Trade Development and Assistance*
20 *Act of 1954, as amended (7 U.S.C. 1704), for market*
21 *development research authorized by section 104(a) and for*
22 *agricultural and forestry research and other functions related*
23 *thereto authorized by section 104(k) of the Agricultural*
24 *Trade Development and Assistance Act of 1954, as amended*
25 *(7 U.S.C. 1704(a)(k)), to remain available until ex-*

1 *pended, \$2,500,000: Provided, That this appropriation shall*
 2 *be available, in addition to other appropriations for these pur-*
 3 *poses, for the purchase of the foregoing currencies: Provided*
 4 *further, That funds appropriated herein shall be used to*
 5 *purchase such foreign currencies as the Department deter-*
 6 *mines are needed and can be used most effectively to carry*
 7 *out the purposes of this paragraph, and such foreign cur-*
 8 *rencies shall, pursuant to the provisions of section 104(a),*
 9 *be set aside for sale to the Department before foreign cur-*
 10 *rencies which accrue under said title I are made available*
 11 *for other United States uses: Provided further, That not to*
 12 *exceed \$25,000 of this appropriation shall be available for*
 13 *purchase of foreign currencies for expenses of employment*
 14 *pursuant to the second sentence of section 706(a) of the*
 15 *Organic Act of 1944 (5 U.S.C. 574), as amended by sec-*
 16 *tion 15 of the Act of August 2, 1946 (5 U.S.C. 55a).*

17 COOPERATIVE STATE EXPERIMENT STATION SERVICE

18 PAYMENTS AND EXPENSES

19 For payments to agricultural experiment stations, for
 20 grants for cooperative forestry research, and for other ex-
 21 penses, including ~~\$38,113,000~~ \$40,613,000 to carry into
 22 effect the provisions of the Hatch Act, approved March 2,
 23 1887, as amended by the Act approved August 11, 1955
 24 (7 U.S.C. 361a-361i), including administration by the
 25 United States Department of Agriculture; \$500,000 for pay-

1 ments authorized under section 204 (b) of the Agricultural
 2 Marketing Act of 1946 (7 U.S.C. 1623) ; \$1,000,000 for
 3 grants for cooperative forestry research under the Act ap-
 4 proved October 10, 1962 (76 Stat. 806-807) ; \$310,000
 5 for penalty mail costs of agricultural experiment stations
 6 under section 6 of the Hatch Act of 1887, as amended;
 7 and \$460,000 for necessary expenses of the Cooperative
 8 State Experiment Station Service, including administration
 9 of payments to State agricultural experiment stations, funds
 10 for employment pursuant to the second sentence of section
 11 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), and
 12 not to exceed \$25,000 for employment under section 15
 13 of the Act of August 2, 1946 (5 U.S.C. 55a) ; in all,
 14 ~~\$40,383,000~~ \$42,883,000.

15 EXTENSION SERVICE

16 COOPERATIVE EXTENSION WORK, PAYMENTS AND EXPENSES

17 Payments to States and Puerto Rico: For payments for
 18 cooperative agricultural extension work under the Smith-
 19 Lever Act, as amended by the Act of June 26, 1953 (7
 20 U.S.C. 341-348), the Act of August 11, 1955 (7 U.S.C.
 21 347a) and the Act of October 5, 1962 (76 Stat. 745),
 22 ~~\$63,020,000~~ \$68,430,000; and payments and contracts for

1 such work under section 204 (b)–205 of the Agricultural
 2 Marketing Act of 1946 (7 U.S.C. 1623–1624), \$1,570,000;
 3 in all, ~~\$64,590,000~~ \$70,000,000: *Provided*, That funds
 4 hereby appropriated pursuant to section 3 (c) of the Act
 5 of June 26, 1953, shall not be paid to any State or
 6 Puerto Rico prior to availability of an equal sum from non-
 7 Federal sources for expenditure during the current fiscal
 8 year.

9 Retirement and Employees' Compensation costs for ex-
 10 tension agents: For cost of employer's share of Federal
 11 retirement and for reimbursement for benefits paid from the
 12 Employees' Compensation Fund for cooperative extension
 13 employees, ~~\$7,110,000~~ \$7,435,000.

14 Penalty mail: For costs of penalty mail for cooperative
 15 extension agents and State extension directors, \$3,113,000.

16 Federal Extension Service: For administration of the
 17 Smith-Lever Act, as amended by the Act of June 26, 1953
 18 (7 U.S.C. 341–348), the Act of August 11, 1955 (7
 19 U.S.C. 347a) and the Act of October 5, 1962 (76 Stat.
 20 745), and extension aspects of the Agricultural Marketing
 21 Act of 1946 (7 U.S.C. 1621–1627), and to coordinate and

1 provide program leadership for the extension work of the
2 Department and the several States and insular possessions,
3 \$2,500,000.

4 FARMER COOPERATIVE SERVICE

5 SALARIES AND EXPENSES

6 For necessary expenses to carry out the Act of July 2,
7 1926 (7 U.S.C. 451-457), and for conducting research
8 relating to the economic and marketing aspects of farmer
9 cooperatives, as authorized by the Agricultural Marketing
10 Act of 1946 (7 U.S.C. 1621-1627), ~~\$1,195,000~~ \$1,201,-
11 000.

12 SOIL CONSERVATION SERVICE

13 CONSERVATION OPERATIONS

14 For necessary expenses for carrying out the provisions
15 of the Act of April 27, 1935 (16 U.S.C. 590a-590f),
16 including preparation of conservation plans and establish-
17 ment of measures to conserve soil and water (including
18 farm irrigation and land drainage and such special measures
19 as may be necessary to prevent floods and the siltation of
20 reservoirs) ; operation of conservation nurseries; classifica-
21 tion and mapping of soils; dissemination of information;
22 purchase and erection or alteration of permanent buildings;
23 and operation and maintenance of aircraft, ~~\$97,480,000~~
24 ~~\$99,000,000~~: *Provided*, That the cost of any permanent
25 building purchased, erected, or as improved, exclusive of the

1 cost of constructing a water supply or sanitary system and
2 connecting the same to any such building and with the
3 exception of buildings acquired in conjunction with land
4 being purchased for other purposes, shall not exceed
5 \$2,500, except for one building to be constructed at a cost
6 not to exceed \$25,000 and eight buildings to be constructed
7 or improved at a cost not to exceed \$15,000 per building
8 and except that alterations or improvements to other exist-
9 ing permanent buildings costing \$2,500 or more may be
10 made in any fiscal year in an amount not to exceed \$500
11 per building: *Provided further*, That no part of this appro-
12 priation shall be available for the construction of any such
13 building on land not owned by the Government: *Provided*
14 *further*, That no part of this appropriation may be expended
15 for soil and water conservation operations under the Act of
16 April 27, 1935 (16 U.S.C. 590a-590f), in demonstration
17 projects: *Provided further*, That this appropriation shall be
18 available for field employment pursuant to the second sentence
19 of section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574),
20 and not to exceed \$5,000 shall be available for employment
21 under section 15 of the Act of August 2, 1946 (5
22 U.S.C. 55a): *Provided further*, That qualified local engi-
23 neers may be temporarily employed at per diem rates to
24 perform the technical planning work of the service.

WATERSHED PROTECTION

For expenses necessary to conduct surveys, investigations, and research and to carry out preventive measures, including, but not limited to, engineering operations, methods of cultivation, the growing of vegetation, and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act, approved August 4, 1954, as amended (16 U.S.C. 1001-1008), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), to remain available until expended, ~~\$63,222,000~~ \$63,992,000, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for watershed protection purposes: *Provided*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$100,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further*, That not to exceed \$3,000,000, together with the unobligated balance of funds previously appropriated for loans and related expense, shall be available for such purposes.

FLOOD PREVENTION

For expenses necessary, in accordance with the Flood Control Act, approved June 22, 1936 (33 U.S.C. 701-709, 16 U.S.C. 1006a), as amended and supplemented, and in

1 accordance with the provisions of laws relating to the activi-
2 ties of the Department, to perform works of improvement,
3 including funds for field employment pursuant to the second
4 sentence of section 706 (a) of the Organic Act of 1944 (5
5 U.S.C. 574), and not to exceed \$100,000 for employment
6 under section 15 of the Act of August 2, 1946 (5 U.S.C.
7 55a), to remain available until expended; \$25,465,000, with
8 which shall be merged the unexpended balances of funds here-
9 tofore appropriated or transferred to the Department for flood
10 prevention purposes: *Provided*, That no part of such funds
11 shall be used for the purchase of lands in the Yazoo and
12 Little Tallahatchie watersheds without specific approval of
13 the county board of supervisors of the county in which such
14 lands are situated: *Provided further*, That not to exceed
15 \$1,000,000, together with the unobligated balance of funds
16 previously appropriated for loans and related expense, shall
17 be available for such purposes.

18 GREAT PLAINS CONSERVATION PROGRAM

19 For necessary expenses to carry into effect a program
20 of conservation in the Great Plains area, pursuant to section
21 16 (b) of the Soil Conservation and Domestic Allotment
22 Act, as added by the Act of August 7, 1956 (16 U.S.C.
23 590p), ~~\$12,994,000~~ \$14,640,000, to remain available until
24 expended.

1 RESOURCE CONSERVATION AND DEVELOPMENT

2 For necessary expenses in planning and carrying out
3 projects for resource conservation and development, and for
4 sound land use, pursuant to the provisions of section 32 (e)
5 of title III of the Bankhead-Jones Farm Tenant Act, as
6 amended (7 U.S.C. 1011; 76 Stat. 607), and the provisions
7 of the Act of April 27, 1935 (16 U.S.C. 590a-f), \$1,-
8 200,000, to remain available until expended: *Provided*,
9 That not to exceed \$500,000 of such amount shall be avail-
10 able for loans and related expenses under subtitle A of the
11 Consolidated Farmers Home Administration Act of 1961.
12 as amended: *Provided further*, That this appropriation shall be
13 available for field employment pursuant to the second sentence
14 of section 706 (a) of the Organic Act of 1944 (5 U.S.C.
15 574), and not to exceed \$50,000 shall be available for employ-
16 ment under section 15 of the Act of August 2, 1946 (5 U.S.C.
17 55a).

18 ECONOMIC RESEARCH SERVICE

19 SALARIES AND EXPENSES

20 For necessary expenses of the Economic Research
21 Service in conducting economic research and service relating
22 to agricultural production, marketing, and distribution, as
23 authorized by the Agricultural Marketing Act of 1946 (7
24 U.S.C. 1621-1627), and other laws, including economics of
25 marketing; analyses relating to farm prices, income and

1 population, and demand for farm products, use of resources
2 in agriculture, adjustments, costs and returns in farming, and
3 farm finance; and for analyses of supply and demand for
4 farm products in foreign countries and their effect on
5 prospects for United States exports, progress in economic
6 development and its relation to sales of farm products,
7 assembly and analysis of agricultural trade statistics and
8 analysis of international financial and monetary programs
9 and policies as they affect the competitive position of United
10 States farm products; ~~\$9,832,000~~ \$9,965,700: *Provided*,
11 That not less than \$350,000 of the funds contained in
12 this appropriation shall be available to continue to gather
13 statistics and conduct a special study on the price spread
14 between the farmer and consumer: *Provided further*, That
15 this appropriation shall be available for employment pursuant
16 to the second sentence of section 706 (a) of the Organic Act
17 of 1944 (5 U.S.C. 574), and not to exceed \$75,000 shall be
18 available for employment under section 15 of the Act of
19 August 2, 1946 (5 U.S.C. 55a): *Provided further*, That
20 not less than \$145,000 of the funds contained in this appro-
21 priation shall be available for analysis of statistics and related
22 facts on foreign production and full and complete information
23 on methods used by other countries to move farm com-
24 modities in world trade on a competitive basis.

1 STATISTICAL REPORTING SERVICE

2 SALARIES AND EXPENSES

3 For necessary expenses of the Statistical Reporting
4 Service in conducting statistical reporting and service work,
5 including crop and livestock estimates, statistical coordina-
6 tion and improvements, and marketing surveys, as author-
7 ized by the Agricultural Marketing Act of 1946 (7 U.S.C.
8 1621-1627) and other laws, ~~\$11,079,000~~ \$11,486,000:
9 *Provided*, That no part of the funds herein appropriated shall
10 be available for any expense incident to publishing estimates
11 of apple production for other than the commercial crop.

12 AGRICULTURAL MARKETING SERVICE

13 ~~MARKETING SERVICES~~

14 ~~For expenses necessary to carry on services related to~~
15 ~~agricultural marketing and distribution as authorized by the~~
16 ~~Agricultural Marketing Act of 1946 (7 U.S.C. 1621-~~
17 ~~1627) and other laws, including the administration of mar-~~
18 ~~keting regulatory acts connected therewith and for adminis-~~
19 ~~tration and coordination of payments to States; and this appro-~~
20 ~~priation shall be available for field employment pursuant to sec-~~
21 ~~tion 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and~~
22 ~~not to exceed \$25,000 shall be available for employment at~~
23 ~~rates not to exceed \$75 per diem under section 15 of the Act~~
24 ~~of August 2 1946 (5 U.S.C. 55a), in carrying out sec-~~
25 ~~tion 201(a) to 201(d), inclusive, of title II of the Ag-~~

1 ~~gricultural Adjustment Act of 1938 (7 U.S.C. 1291) and~~
 2 ~~section 203(j) of the Agricultural Marketing Act of 1946;~~
 3 ~~\$37,061,000.~~

4 *MARKETING RESEARCH AND SERVICE*

5 *For expenses necessary to carry on research and service*
 6 *to improve and develop marketing and distribution relating*
 7 *to agriculture as authorized by the Agricultural Marketing*
 8 *Act of 1946 (7 U.S.C. 1621–1627) and other laws, includ-*
 9 *ing the administration of marketing regulatory acts connected*
 10 *therewith; research and development, including related cost*
 11 *and efficiency evaluations, and services relating to agricul-*
 12 *tural marketing and distribution, for carrying out regulatory*
 13 *acts connected therewith, and for administration and coor-*
 14 *dination of payments to States; and this appropriation shall*
 15 *be available for field employment pursuant to section 706(a)*
 16 *of the Organic Act of 1944 (5 U.S.C. 574), and not to ex-*
 17 *ceed \$25,000 shall be available for employment at rates not*
 18 *to exceed \$75 per diem under section 15 of the Act of August*
 19 *2, 1946 (5 U.S.C. 55a) in carrying out section 201(a) to*
 20 *201(d), inclusive, of title II of the Agricultural Adjustment*
 21 *Act of 1938 (7 U.S.C. 1291) and section 203(j) of the*
 22 *Agricultural Marketing Act of 1946, \$44,514,100, of which*
 23 *\$1,600,000 is to remain available until expended for the con-*
 24 *struction of a peanut quality research facility and the*

1 acquisition of the necessary land therefor by donation: Pro-
 2 vided, That research investigations undertaken at the national
 3 peanut quality evaluation laboratory must be truly national
 4 in scope and must give equivalent treatment to the different
 5 types of peanuts produced and marketed in the major peanut
 6 producing areas: Provided further, That appropriations
 7 hereunder shall be available pursuant to 5 U.S.C. 565a for
 8 the construction, alteration, and repair of buildings and im-
 9 provements, but unless otherwise provided, the cost of erecting
 10 any one building during the fiscal year shall not exceed
 11 \$20,000, except for one building to be constructed at a cost
 12 not to exceed \$50,000, and the cost of altering any one build-
 13 ing during the fiscal year shall not exceed \$7,500 or 7.5
 14 per centum of the cost of the building, whichever is greater.

15 PAYMENTS TO STATES AND POSSESSIONS

16 For payments to departments of agriculture, bureaus
 17 and departments of markets, and similar agencies for market-
 18 ing activities under section 204 (b) of the Agricultural Mar-
 19 keting Act of 1946 (7 U.S.C. 1623 (b)), ~~\$1,425,000~~
 20 \$1,500,000.

21 SPECIAL MILK PROGRAM

22 For necessary expenses to carry out the Special Milk
 23 Program, as authorized by the Act of August 8, 1961 (7
 24 U.S.C. 1446, note) , \$100,000,000.

SCHOOL LUNCH PROGRAM

For necessary expenses to carry out the provisions of the National School Lunch Act (42 U.S.C. 1751-1760), \$137,000,000: *Provided*, That no part of this appropriation shall be used for nonfood assistance under section 5 of said Act: *Provided further*, That \$45,000,000 shall be transferred to this appropriation from funds available under section 32 of the Act of August 24, 1935, for purchase and distribution of agricultural commodities and other foods pursuant to section 6 of the National School Lunch Act.

REMOVAL OF SURPLUS AGRICULTURAL COMMODITIES

(SECTION 32)

No funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) shall be used for any purpose other than commodity program expenses as authorized therein, and other related operating expenses, except for (1) transfers to the Department of the Interior as authorized by the Fish and Wildlife Act of August 8, 1956, (2) transfers otherwise provided in this Act, (3) not more than \$4,754,000 for formulation and administration of marketing agreements and orders pursuant to the Agricultural Marketing Agreement Act of 1937, as amended, and the Agricultural Act of 1961, and (4) not more than ~~\$40,000,000~~ \$51,500,000 for expenses for the Pilot Food Stamp Pro-

1 gram,—and ~~(5)~~ not more than \$25,000,000 for transfer to the
2 Commodity Credit Corporation to be used to increase do-
3 mestic consumption of any farm commodity or farm com-
4 modities determined by the Secretary of Agriculture to be in
5 surplus supply and hereafter such sums as may be approved
6 by the Congress shall be available for such purpose.

7 FOREIGN AGRICULTURAL SERVICE

8 SALARIES AND EXPENSES

9 For necessary expenses for the Foreign Agricultural
10 Service, including carrying out title VI of the Agricultural
11 Act of 1954 (7 U.S.C. 1761-1768), market development
12 activities abroad, and for enabling the Secretary to coordinate
13 and integrate activities of the Department in connection with
14 foreign agricultural work, including not to exceed \$35,000
15 for representation allowances and for expenses pursuant to
16 section 8 of the Act approved August 3, 1956 (7 U.S.C.
17 1766), ~~\$18,505,000~~ \$19,039,000: *Provided*, That not less
18 than \$255,000 of the funds contained in this appropriation
19 shall be available to obtain statistics and related facts on for-
20 eign production and full and complete information on methods
21 used by other countries to move farm commodities in world
22 trade on a competitive basis: *Provided further*, That, in
23 addition, not to exceed \$3,117,000 of the funds appropriated
24 by section 32 of the Act of August 24, 1935, as amended
25 (7 U.S.C. 612c), shall be merged with this appropriation

1 and shall be available for all expenses of the Foreign Agri-
2 cultural Service.

3 COMMODITY EXCHANGE AUTHORITY

4 SALARIES AND EXPENSES

5 For necessary expenses to carry into effect the provi-
6 sions of the Commodity Exchange Act, as amended (7
7 U.S.C. 1-17a), ~~\$1,093,000~~ \$1,095,000.

8 AGRICULTURAL STABILIZATION AND CONSERVATION

9 SERVICE

10 EXPENSES, AGRICULTURAL STABILIZATION AND

11 CONSERVATION SERVICE

12 For necessary administrative expenses of the Agricul-
13 tural Stabilization and Conservation Service, including ex-
14 penses to formulate and carry out programs authorized by
15 title III of the Agricultural Adjustment Act of 1938, as
16 amended (7 U.S.C. 1301-1393); Sugar Act of 1948, as
17 amended (7 U.S.C. 1101-1161); sections 7 to 15, 16 (a),
18 16 (d), 16 (e), 16 (f), and 17 of the Soil Conservation and
19 Domestic Allotment Act, as amended (16 U.S.C. 590g-
20 590 (o), 590p (a), and 590q; 76 Stat. 606-607) as added by
21 section 132 of the Act of August 8, 1961; subtitles B and
22 C of the Soil Bank Act (7 U.S.C. 1831-1837, 1802-1814,
23 and 1816); and laws pertaining to the Commodity Credit
24 Corporation, ~~\$105,737,000~~ \$107,091,400: *Provided*, That,
25 in addition, not to exceed \$94,885,000 may be transferred

1 to and merged with this appropriation from the Commodity
 2 Credit Corporation fund (including not to exceed \$40,051,-
 3 000 under the limitation on Commodity Credit Corporation
 4 administrative expenses) : *Provided further*, That other
 5 funds made available to Agricultural Stabilization and Con-
 6 servation Service for authorized activities may be advanced
 7 to and merged with this appropriation: *Provided further*,
 8 *That no part of the funds appropriated or made available*
 9 *under this Act shall be used, (1) to influence the vote in any*
 10 *referendum; (2) to influence agricultural legislation except*
 11 *as permitted in 18 U.S.C. 1913; or (3) for salaries or other*
 12 *expenses of members of county and community committees*
 13 *established pursuant to section 8(b) of the Soil Conservation*
 14 *and Domestic Allotment Act, as amended, for engaging in*
 15 *any activities other than advisory and supervisory duties and*
 16 *delegated program functions prescribed in administrative*
 17 *regulations.*

18 SUGAR ACT PROGRAM

19 For necessary expenses to carry into effect the provi-
 20 sions of the Sugar Act of 1948 (7 U.S.C. 1101-1161),
 21 \$78,000,000, to remain available until June 30 of the next
 22 succeeding fiscal year.

23 AGRICULTURAL CONSERVATION PROGRAM

24 For necessary expenses to carry into effect the program
 25 authorized in sections 7 to 15, 16(a), and 17 of the Soil

1 Conservation and Domestic Allotment Act, approved Feb-
2 ruary 29, 1936, as amended (16 U.S.C. 590g-590 (o),
3 590p (a), and 590q), including not to exceed \$6,000 for
4 the preparation and display of exhibits, including such dis-
5 plays at State, interstate, and international fairs within the
6 United States, \$215,000,000, to remain available until De-
7 cember 31 of the next succeeding fiscal year for compliance
8 with the programs of soil-building and soil- and water-
9 conserving practices authorized under this head in the
10 Department of Agriculture and Related Agencies Appro-
11 priation Acts, 1962 and 1963, carried out during the period
12 July 1, 1961, to December 31, 1963, inclusive: *Provided*,
13 That none of the funds herein appropriated shall be used to
14 pay the salaries or expenses of any regional information
15 employees or any State information employees, but this
16 shall not preclude the answering of inquiries or supplying of
17 information at the county level to individual farmers:
18 *Provided further*, That ~~no portion of the funds for the 1964~~
19 ~~program may be utilized to provide financial or technical assist-~~
20 ~~ance for drainage on wetlands now designated as Wetland~~
21 ~~Types 3 (III), 4 (IV), and 5 (V) in United States Depart-~~
22 ~~ment of the Interior Fish and Wildlife Service Circular 39,~~
23 ~~Wetlands of the United States 1956: *Provided further*, That~~
24 ~~no portion of the funds for the 1964 program may be utilized to~~
25 ~~provide financial or technical assistance in any State of the~~

1 *Union for drainage of wetlands, except as subject to the same*
2 *conditions as are provided by Public Law 87-732, approved*
3 *October 2, 1962: Provided further, That necessary amounts*
4 shall be available for administrative expenses in connection
5 with the formulation and administration of the 1964 program
6 of soil-building and soil- and water-conserving practices, in-
7 cluding related wildlife conserving practices, under the Act of
8 February 29, 1936, as amended (amounting to \$250,000,000,
9 including administration, except that no participant shall re-
10 ceive more than \$2,500, except where the participants from
11 two or more farms or ranches join to carry out approved prac-
12 tices designed to conserve or improve the agricultural resources
13 of the community) : *Provided further, That not to exceed 5 per*
14 centum of the allocation for the current year's agricultural
15 conservation program for any county may, on the recom-
16 mendation of such county committee and approval of the
17 State committee, be withheld and allotted to the Soil Con-
18 servation Service for services of its technicians in formulating
19 and carrying out the agricultural conservation program in
20 the participating counties, and shall not be utilized by the
21 Soil Conservation Service for any purpose other than tech-
22 nical and other assistance in such counties, and in addition,
23 on the recommendation of such county committee and ap-
24 proval of the State committee, not to exceed 1 per centum

1 may be made available to any other Federal, State, or local
2 public agency for the same purpose and under the same con-
3 ditions: *Provided further*, That for the current year's pro-
4 gram \$2,500,000 shall be available for technical assistance
5 in formulating and carrying out agricultural conservation
6 practices: *Provided further*, That such amounts shall be
7 available for the purchase of seeds, fertilizers, lime, trees, or
8 any other farming material, or any soil-terracing services.
9 and making grants thereof to agricultural producers to aid
10 them in carrying out farming practices approved by the Sec-
11 retary under programs provided for herein: *Provided further*,
12 That no part of any funds available to the Department, or
13 any bureau, office, corporation, or other agency constituting
14 a part of such Department, shall be used in the current fiscal
15 year for the payment of salary or travel expenses of any
16 person who has been convicted of violating the Act entitled
17 "An Act to prevent pernicious political activities", approved
18 August 2, 1939, as amended, or who has been found in
19 accordance with the provisions of title 18, United States
20 Code, section 1913, to have violated or attempted to violate
21 such section which prohibits the use of Federal appropria-
22 tions for the payment of personal services or other expenses
23 designed to influence in any manner a Member of Congress

1 to favor or oppose any legislation or appropriation by Con-
2 gress except upon request of any Member or through the
3 proper official channels.

4 CONSERVATION RESERVE PROGRAM

5 For necessary expenses to carry out a conservation re-
6 serve program as authorized by subtitles B and C of the
7 Soil Bank Act (7 U.S.C. 1831-1837, 1802-1814, and
8 1816), and to carry out liquidation activities for the acreage
9 reserve program, to remain available until expended,
10 \$294,000,000, with which may be merged the unexpended
11 balances of funds heretofore appropriated for soil bank
12 programs: *Provided*, That no part of these funds shall be
13 paid on any contract which is illegal under the law due to
14 the division of lands for the purpose of evading limits on
15 annual payments to participants.

16 LAND-USE ADJUSTMENT PROGRAM

17 For necessary expenses to promote the conservation and
18 economic use of land pursuant to the provisions of section
19 16 (e) of the Soil Conservation and Domestic Allotment Act
20 (16 U.S.C. 590h, 590p), as amended by the Act of Septem-
21 ber 27, 1962 (76 Stat. 606), ~~\$10,000,000~~ \$12,150,000, to
22 remain available until expended.

1 OFFICE OF RURAL AREAS DEVELOPMENT

2 SALARIES AND EXPENSES

3 For necessary expenses, not otherwise provided for, of
4 the Office of Rural Areas Development in providing leader-
5 ship, coordination, liaison, and related services in the rural
6 areas development activities of the Department, \$120,000:

7 *Provided*, That this appropriation shall be available for field
8 employment pursuant to the second sentence of section
9 706 (a) of the Organic Act of 1944 (5 U.S.C. 574) , and not
10 to exceed \$3,000 shall be available for employment under
11 section 15 of the Act of August 2, 1946 (5 U.S.C. 55a) .

12 OFFICE OF THE GENERAL COUNSEL

13 SALARIES AND EXPENSES

14 For necessary expenses, including payment of fees or
15 dues for the use of law libraries by attorneys in the field
16 service, ~~\$3,953,000~~ \$3,987,000.

17 OFFICE OF INFORMATION

18 SALARIES AND EXPENSES

19 For necessary expenses of the Office of Information for
20 the dissemination of agricultural information and the coordi-
21 nation of informational work and programs authorized by
22 Congress in the Department, \$1,684,000, of which total

1 appropriation not to exceed \$537,000 may be used for
 2 farmers' bulletins, which shall be adapted to the interests
 3 of the people of the different sections of the country, an
 4 equal proportion of four-fifths of which shall be delivered to
 5 or sent out under the addressed franks furnished by the
 6 Senators, Representatives, and Delegates in Congress, as
 7 they shall direct (7 U.S.C. 417), and not less than two
 8 hundred and thirty-two thousand two hundred and fifty
 9 copies for the use of the Senate and House of Representatives
 10 of part 2 of the annual report of the Secretary (known as
 11 the Yearbook of Agriculture) as authorized by section 73
 12 of the Act of January 12, 1895 (44 U.S.C. 241) : *Provided*,
 13 That in the preparation of motion pictures or exhibits by the
 14 Department, this appropriation shall be available for em-
 15 ployment pursuant to the second sentence of section 706 (a)
 16 of the Organic Act of 1944 (5 U.S.C. 574), and not to
 17 exceed \$10,000 shall be available for employment under
 18 section 15 of the Act of August 2, 1946 (5 U.S.C. 55a) .

19 NATIONAL AGRICULTURAL LIBRARY

20 SALARIES AND EXPENSES

21 For necessary expenses of the National Agricultural
 22 Library, ~~\$1,420,000~~ \$1,426,140.

LIBRARY FACILITIES

For the preparation of plans, specifications, and drawings for the National Agricultural Library, \$450,000, to remain available until expended.

GENERAL ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses of the Office of the Secretary of Agriculture and for general administration of the Department of Agriculture, including expenses of the National Agricultural Advisory Commission; repairs and alterations; and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department of Agriculture, ~~\$3,735,000~~ \$3,760,550: *Provided*, That this appropriation shall be reimbursed from applicable appropriations for travel expenses incident to the holding of hearings as required by the Administrative Procedures Act (5 U.S.C. 1001) : *Provided further*, That not to exceed \$2,500 of this amount shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary.

TITLE II—CREDIT AGENCIES

RURAL ELECTRIFICATION ADMINISTRATION

To carry into effect the provisions of the Rural Electrification Act of 1936, as amended (7 U.S.C. 901-924), as follows:

LOAN AUTHORIZATIONS

For loans in accordance with said Act, and for carrying out the provisions of section 7 thereof, to be borrowed from the Secretary of the Treasury in accordance with the provisions of section 3 (a) of said Act, as follows: Rural electrification program, \$425,000,000, of which \$150,000,000 shall be placed in reserve to be borrowed under the same terms and conditions to the extent that such amount is required during the current fiscal year under the then existing conditions for the expeditious and orderly development of the rural electrification program; and rural telephone program, \$70,000,000.

SALARIES AND EXPENSES

For administrative expenses, including not to exceed \$500 for financial and credit reports, funds for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$150,000 for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), ~~\$11,162,000~~ \$11,287,000.

FARMERS HOME ADMINISTRATION

DIRECT LOAN ACCOUNT

Direct loans and advances under subtitles A and B, and advances under section 335 (a) for which funds are not otherwise available, of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1921), as amended, may be made from funds available in the Farmers Home Administration direct loan account as follows: real estate loans, \$60,000,000; and operating loans, \$300,000,000, of which \$50,000,000 shall be placed in reserve to be used only to the extent required during current fiscal year under the then existing conditions for the expeditious and orderly conduct of the loan program.

RURAL HOUSING LOANS

For rural housing loans, \$25,000,000, to be made available in addition to and in the same manner and under the terms and conditions applicable to funds provided under section 511 of the Housing Act of 1949, as amended.

RURAL RENEWAL

For necessary expenses, including administrative expenses, in carrying out rural renewal activities under section 32 (c) of title III of the Bankhead-Jones Farm Tenant Act, as amended, ~~\$1,000,000~~ \$1,350,000.

1 RURAL HOUSING FOR THE ELDERLY REVOLVING FUND

2 For loans pursuant to section 515 (a) of the Housing
3 Act of 1949, as amended (42 U.S.C. 1484; 76 Stat. 671),
4 including advances pursuant to section 335 (a) of the Con-
5 solidated Farmers Home Administration Act of 1961 (7
6 U.S.C. 1985) in connection with security for such loans,
7 ~~\$2,000,000~~ \$3,500,000.

8 SALARIES AND EXPENSES

9 For necessary expenses of the Farmers Home Admin-
10 istration, not otherwise provided for, in administering the
11 programs authorized by the Consolidated Farmers Home
12 Administration Act of 1961 (7 U.S.C. 1921), as amended,
13 title V of the Housing Act of 1949, as amended (42 U.S.C.
14 1471-1484), and the Rural Rehabilitation Corporation Trust
15 Liquidation Act, approved May 3, 1950 (40 U.S.C. 440-
16 444) ; ~~\$38,367,000~~ \$39,367,000, together with not more
17 than \$1,050,000 of the charges collected in connection with
18 the insurance of loans as authorized by section 309 (e) of the
19 Consolidated Farmers Home Administration Act of 1961, as
20 amended, and section 514 (b) (3) of the Housing Act of
21 1949, as amended: *Provided*, That, in addition, not to exceed
22 \$500,000 of the funds available for the various programs
23 administered by this Agency may be transferred to this
24 appropriation for temporary field employment pursuant to the

second sentence of section 706 (a) of the Organic Act of 1944 (5 U.S. C. 574) to meet unusual or heavy workload increases.

TITLE III—CORPORATIONS

The following corporations and agencies are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for such corporation or agency, except as hereinafter provided:

FEDERAL CROP INSURANCE CORPORATION

ADMINISTRATIVE AND OPERATING EXPENSES

For administrative and operating expenses, \$6,950,000 \$7,210,000.

FEDERAL CROP INSURANCE CORPORATION FUND

Not to exceed ~~\$3,530,000~~ \$3,480,000 of administrative and operating expenses may be paid from premium income.

COMMODITY CREDIT CORPORATION

REIMBURSEMENT FOR NET REALIZED LOSSES

To reimburse the Commodity Credit Corporation for net realized losses sustained during the fiscal year ending

1 June 30, 1962, pursuant to the Act of August 17, 1961
2 (15 U.S.C. 713a-11, 713a-12), ~~\$2,500,000,000~~
3 \$2,699,400,000.

4 LIMITATION ON ADMINISTRATIVE EXPENSES

5 Nothing in this Act shall be so construed as to prevent
6 the Commodity Credit Corporation from carrying out any
7 activity or any program authorized by law: *Provided*,
8 That not to exceed \$41,650,000 shall be available for
9 administrative expenses of the Corporation: *Provided fur-*
10 *ther*, That \$1,000,000 of this authorization shall be avail-
11 able only to expand and strengthen the sales program of the
12 Corporation pursuant to authority contained in the Corpora-
13 tion's charter: *Provided further*, That not less than 7 per
14 centum of this authorization shall be placed in reserve to be
15 apportioned pursuant to section 3679 of the Revised Statutes,
16 as amended, for use only in such amounts and at such
17 times as may become necessary to carry out program opera-
18 tions: *Provided further*, That all necessary expenses (includ-
19 ing legal and special services performed on a contract or fee
20 basis, but not including other personal services) in connec-
21 tion with the acquisition, operation, maintenance, improve-
22 ment, or disposition of any real or personal property
23 belonging to the Corporation or in which it has an interest,

1 including expenses of collections of pledged collateral, shall
2 be considered as nonadministrative expenses for the purposes
3 hereof.

4 TITLE IV—FOREIGN ASSISTANCE PROGRAMS

5 PUBLIC LAW 480

6 For expenses during fiscal year 1964, not otherwise
7 recoverable, and unrecovered prior years' costs, including
8 interest thereon, under the Agricultural Trade Development
9 and Assistance Act of 1954, as amended (7 U.S.C. 1701–
10 1709, 1721–1724, 1731–1736), to remain available until
11 expended, as follows: (1) Sale of surplus agricultural com-
12 modities for foreign currencies pursuant to title I of said
13 Act, ~~\$1,452,000,000~~ \$1,252,000,000; (2) commodities dis-
14 posed of for emergency famine relief to friendly peoples pur-
15 suant to title II of said Act, \$215,451,000; and (3) long-
16 term supply contracts pursuant to title IV of said Act,
17 ~~\$52,515,000~~ \$79,000,000.

18 INTERNATIONAL WHEAT AGREEMENT

19 For expenses during fiscal year 1964 and unrecovered
20 prior years' costs, including interest thereon, under the In-
21 ternational Wheat Agreement Act of 1949, as amended
22 (7 U.S.C. 1641–1642), ~~\$86,218,000~~ \$92,356,000, to re-
23 main available until expended.

1 BARTERED MATERIALS FOR SUPPLEMENTAL STOCKPILE

2 For expenses during fiscal year 1964 and unrecovered
3 prior years' costs related to strategic and other materials
4 acquired as a result of barter or exchange of agricultural
5 commodities or products and transferred to the supplemental
6 stockpile pursuant to Public Law 540, Eighty-fourth Con-
7 gress (7 U.S.C. 1356), \$82,860,000, to remain available
8 until expended.

9 TITLE V—RELATED AGENCIES

10 FARM CREDIT ADMINISTRATION

11 LIMITATION ON ADMINISTRATIVE EXPENSES

12 Not to exceed \$2,785,000 (from assessments collected
13 from farm credit agencies) shall be obligated during the cur-
14 rent fiscal year for administrative expenses.

15 TITLE VI—GENERAL PROVISIONS

16 SEC. 601. Within the unit limit of cost fixed by law,
17 appropriations and authorizations made for the Department
18 under this Act shall be available for the purchase, in addi-
19 tion to those specifically provided for, of not to exceed five
20 hundred and fifteen passenger motor vehicles, of which four
21 hundred and ninety-eight shall be for replacement only, and
22 for the hire of such vehicles.

23 SEC. 602. Provisions of law prohibiting or restricting
24 the employment of aliens shall not apply to employment
25 under the appropriation for the Foreign Agricultural Service.

1 SEC. 603. Funds available to the Department of Agri-
2 culture shall be available for uniforms or allowances therefor
3 as authorized by the Act of September 1, 1954, as amended
4 (5 U.S.C. 2131).

5 SEC. 604. No part of the funds appropriated by this Act
6 shall be used for the payment of any officer or employee of
7 the Department who, as such officer or employee, or on
8 behalf of the Department or any division, commission, or
9 bureau thereof, issues, or causes to be issued, any prediction,
10 oral or written, or forecast, except as to damage threatened
11 or caused by insects and pests, with respect to future prices
12 of cotton or the trend of same.

13 SEC. 605. Except to provide materials required in or
14 incident to research or experimental work where no suitable
15 domestic product is available, no part of the funds appro-
16 priated by this Act shall be expended in the purchase of
17 twine manufactured from commodities or materials produced
18 outside of the United States.

19 SEC. 606. Not less than \$1,500,000 of the appropria-
20 tions of the Department for research and service work author-
21 ized by the Acts of August 14, 1946, July 28, 1954, and
22 September 6, 1958 (7 U.S.C. 427, 1621-1629; 42 U.S.C.
23 1891-1893), shall be available for contracting in accordance
24 with said Acts.

25 SEC. 607. No part of the funds appropriated by this Act

1 shall be used to conduct or assist in conducting any program
2 (including but not limited to the payment of salaries, admin-
3 istrative expenses, and the conduct of research activities)
4 related directly or indirectly to the establishment of a national
5 service corps or similar domestic peace corps type of program.

6 This Act may be cited as the "Department of Agricul-
7 ture and Related Agencies Appropriation Act, 1964".

Passed the House of Representatives June 6, 1963.

Attest:

RALPH R. ROBERTS,

Clerk.

88TH CONGRESS
1st Session

H. R. 6754

[Report No. 497]

AN ACT

Making appropriations for the Department of
Agriculture and related agencies for the
fiscal year ending June 30, 1964, and for
other purposes.

JUNE 10, 1963

Read twice and referred to the Committee on
Appropriations

SEPTEMBER 12, 1963

Reported with amendments

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued Sept. 16, 1963
For actions of Sept. 13, 1963
88th-1st; No. 145

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HIGHLIGHTS: Sen. Morse commended reports of increased earnings in lumber industry. Sen. Humphrey inserted Gallup poll showing large majority in U. S. favor Youth Conservation Corps. Sen. Talmadge introduced dairy bill.

SENATE

1. FORESTRY. Sen. Morse inserted and commended a Dun & Bradstreet analysis of 75 lumber firms which he stated shows that 1962 was the second most prosperous year since 1957 for the domestic lumber industry, and expressed opposition to proposals to impose quotas on imports of Canadian lumber which he felt should be solved through "genuine cooperative efforts." pp. 16067-9
2. NUCLEAR TEST BAN TREATY. Continued debate on ratification of the nuclear test ban treaty. pp. 16072-5, 16067-126
3. YOUTH CONSERVATION CORPS. Sen. Humphrey inserted a Gallup poll showing that 89 percent of the American public support the establishment of a Youth Conservation Corps and cited the poll as a reason why the House Rules Committee should clear proposed legislation for this purpose. pp. 16126-7
4. FEED GRAINS. Sen. Miller criticized the appointment of former Representative Coad as a consultant with the Agency for International Development and charged that the appointment was a payoff for Coad's vote in 1962 against recommitment of the feed grains bill to committee. pp. 16064-5

5. AGRICULTURAL APPROPRIATION BILL, 1964. Sen. Holland submitted notice of his intention to suspend the rules for the purpose of proposing an amendment to this bill, H. R. 6754, to provide \$25 million for rural housing loans. p. 16058
6. LAND USE ADJUSTMENT. The "Daily Digest" states that the Subcommittee on Agricultural Production, Marketing and Stabilization of the Agriculture and Forestry Committee met in executive session to consider S. 1588, to eliminate the \$10 million limitation on the land use adjustment program, but took no final action and recessed subject to call. pp. D715-6
7. FISHERIES. The Commerce Committee reported with amendments S. 1988, to prohibit fishing in territorial waters of the U. S. by persons other than nationals or inhabitants of the U. S. (S. Rept. 500). p. 16057
8. ADJOURNED until Mon., Sept. 16. p. 16128

BILL INTRODUCED

9. DAIRY. S. 2146, by Sen. Talmadge, to insure certain minimum prices to dairy farmers for milk sold to Federal installations located in States in which minimum prices for milk are established pursuant to State authority and not pursuant to a Federal milk marketing order; to Agriculture and Forestry Committee.

0

COMMITTEE HEARING SEPT. 16:

Equal employment opportunities legislation, S. Labor and Public Welfare (exec).

oOo



United States
of America

Division of Legislative Reports
Office of Budget and Finance

Congressional Record

PROCEEDINGS AND DEBATES OF THE 88th CONGRESS, FIRST SESSION

Vol. 109

WASHINGTON, FRIDAY, SEPTEMBER 13, 1963

No. 145

House of Representatives

The House was not in session today. Its next meeting will be held on Monday, September 16, 1963, at 12 o'clock noon.

Senate

FRIDAY, SEPTEMBER 13, 1963

The Senate met in executive session at 11 o'clock a.m., and was called to order by the President pro tempore.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O Thou God over all, blessed forevermore: Amid the seething strife which mars the earth and still builds its walls of separation, we are grateful for any flicker of light which sends its ray down the future's broadening way.

Whatever be the vexatious problem we are called to face in this volcanic day, we thank Thee for this white altar of prayer, reared at the gates of the morning which speaks to us ever of our final reliance on the supreme spiritual forces which alone abide, and on which our salvation in the end depends.

Before the toil of a new day opens, as busy hours await, we bring to Thee the meditations of our hearts; may they be acceptable in Thy sight. May our compassion help to heal the open sores of the world as we serve the present age, our calling to fulfill.

In the Redeemer's name we ask it. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, as in legislative session, the reading of the Journal of the proceedings of Thursday, September 12, 1963, was dispensed with.

ORDER FOR TRANSACTION OF ROUTINE LEGISLATIVE BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that after consideration of the nominations, which I shall call up shortly, there be a morning hour, as in legislative session, and that

statements in that connection be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

NOMINATIONS

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of the nominations on the Executive Calendar.

The motion was agreed to.

The PRESIDENT pro tempore. If there be no reports of committees, the clerk will state the nominations on the Executive Calendar.

INTERNATIONAL ATOMIC ENERGY AGENCY

The Chief Clerk proceeded to read sundry nominations in the International Atomic Energy Agency.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

UNITED NATIONS

The Chief Clerk proceeded to read sundry nominations in the United Nations.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Presi-

dent be immediately notified of the confirmation of all these nominations.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

MEMORIAL

The PRESIDENT pro tempore laid before the Senate a telegram in the nature of a memorial, signed by Dr. Felix M. Goizueta Diaz, of Philadelphia, Pa., relating to the nuclear test ban treaty, which was ordered to lie on the table.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. PASTORE, from the Committee on Commerce, without amendment:

S. 1005. A bill to amend paragraph (2) (G) of subsection 309(c) of the Communications Act of 1934, as amended, by granting the Federal Communications Commission additional authority to grant special temporary authorizations for 60 days for certain non-broadcast operations (Rept. No. 498); and

S. 1193. A bill to amend section 309(e) of the Communications Act of 1934, as amended, to require that petitions for intervention be filed not more than 30 days after publication of the hearing issues in the Federal Register (Rept. No. 499).

By Mr. BARTLETT, from the Committee on Commerce, with amendments:

S. 1988. A bill to prohibit fishing in the territorial waters of the United States and in certain other areas by persons other than nationals or inhabitants of the United States (Rept. No. 500).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BEALL:
S. 2145. A bill for the relief of Rolando Ayson Najera; to the Committee on the Judiciary.

By Mr. TALMADGE (for himself, and Mr. McCARTHY):

S. 2146. A bill to insure certain minimum prices to dairy farmers for milk sold to Federal installations located in States in which minimum prices for milk are established pursuant to State authority and not pursuant to a Federal milk marketing order; to the Committee on Agriculture and Forestry.

CONCURRENT RESOLUTION

PRINTING OF ADDITIONAL COPIES OF REVISED COMMITTEE PRINT ENTITLED "FEDERAL DISASTER RELIEF MANUAL"

Mr. HUMPHREY submitted the following concurrent resolution (S. Con. Res. 59); which was referred to the Committee on Rules and Administration:

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Senate Committee on Government Operations twenty-five thousand additional copies of the revised edition of the committee print entitled "Federal Disaster Relief Manual", which was issued by that committee on August 30, 1963.

RESOLUTION

PRINTING OF ADDITIONAL COPIES OF REVISED COMMITTEE PRINT ENTITLED "FEDERAL DISASTER RELIEF MANUAL"

Mr. HUMPHREY submitted the following resolution (S. Res. 198); which was referred to the Committee on Rules and Administration:

Resolved, That there be printed for the use of the Senate Committee on Government Operations four thousand additional copies of the revised edition of the committee print entitled "Federal Disaster Relief Manual", which was issued by that committee on August 30, 1963.

NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENT TO AGRICULTURE DEPARTMENT APPROPRIATION BILL

Mr. HOLLAND submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 6754) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, and for other purposes, the following amendment; namely, on page 31, after line 13, insert the following:

"RURAL HOUSING LOANS

"For rural housing loans, \$25,000,000, to be made available in addition to and in the same manner and under the terms and conditions applicable to funds provided under Section 511 of the Housing Act of 1949, as amended."

Mr. HOLLAND also submitted an amendment, intended to be proposed by him, to House bill 6754, making appropriations for the Department of Agriculture and related agencies for the fiscal

year ending June 30, 1964, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of the amendment referred to, see the foregoing notice.)

NOTICE OF HEARINGS ON CERTAIN CONVENTIONS AND PROTOCOLS BY COMMITTEE ON FOREIGN RELATIONS

Mr. FULBRIGHT. Mr. President, I wish to announce that the Committee on Foreign Relations will meet in public session on Tuesday, September 17, 1963, at 10 a.m. in room S-116 in the Capitol to receive testimony on the following conventions and protocols:

First. Consular conventions: (a) Convention with Korea signed at Seoul on January 8, 1963—Executive B, 88-1; and (b) convention with Japan signed at Tokyo on March 22, 1963—Executive I, 88-1.

Second. Protocol dated at Rome, September 15, 1962, to amend the Convention on International Civil Aviation done at Chicago on December 7, 1944—Executive D, 88-1.

Third. Extradition treaties: (a) Convention with Sweden, together with a related protocol, signed at Washington October 24, 1961—Executive E, 87-3; (b) convention with Israel, signed at Washington December 10, 1962—Executive E, 88-1; and (c) protocol signed at Rio de Janeiro on June 18, 1962, to amend Extradition Treaty with Brazil dated January 13, 1961—Executive F, 87-1.

ANNOUNCEMENT OF SHOWING OF "AFRICA TODAY"

Mr. ELLENDER. Mr. President, on September 23 and 24 I hope to show "Africa Today," which is a series of motion pictures I took while I was in Africa last year. The showings will take place at 2 p.m. and 7:30 p.m. on each day.

I invite all Senators, all those who serve on the office staffs of Senators, those who serve the Senate, and anyone else who may be interested, to attend.

The pictures will be shown in the New Senate Office Building auditorium. I assure everyone that the pictures are quite objective, and I believe will be interesting.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. BARTLETT:

Statement by him on dog-team delivery of the mail in Alaska.

TRANSACTION OF ROUTINE LEGISLATIVE BUSINESS

The PRESIDENT pro tempore. Under the order previously entered, morning business is now in order, as in legislative session.

THE CITIZEN AND HIS PUBLIC RESPONSIBILITIES

Mr. CLARK. Mr. President, earlier this week the distinguished Senator from West Virginia [Mr. RANDOLPH] delivered a provocative address entitled "The Citizen and His Public Responsibilities." The address was delivered at a luncheon meeting of the Federal Editors Association, at the Presidential Arms Hotel, in Washington, D.C., on September 12. His excellent address points out a number of the important problems which today confront the citizen in his public responsibilities, as a result of the frighteningly complex problems which face our country—problems which are far more difficult, far more intricate, and which call for a far speedier solution than was the case in the days of our grandfathers and our great-grandfathers.

I commend this address to all Senators, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE CITIZEN AND HIS PUBLIC RESPONSIBILITIES
(Speech by Senator JENNINGS RANDOLPH, Democrat, of West Virginia, at luncheon meeting of Federal Editors Association, Washington, D.C., September 12, 1963)

It is a genuine pleasure to have this opportunity to discuss "The Citizen and His Public Responsibilities". I know I am addressing a distinguished body of practitioners of the art of public information.

We must define the problem, because the role of the citizen in a dynamic society must change with the altering structure of society. I offer nothing new on the subject, but merely to establish a context within which to approach the problem.

For this purpose I believe we can agree that the role of the American citizen was first most clearly expressed in the writings of Thomas Jefferson. Here was developed the view of the American citizen as the independent freeholder. He was jealous of his own integrity and independence, informed on matters of public concern, and capable of exercising reasoned judgment in the light of this information. The underlying assumption of this view was that man acts of his own free will, guided by the light of innate reason, and that all citizens are potentially capable of exercising reason.

During the 18th century and for the first half of the 19th century, this typical American citizen found himself in a society which was predominantly rural and agrarian. And with the continual advancement of the frontier there existed in general a harmony between the public interest and the interests of the individual citizen. We need not cavil at the truth of this picture in every instance. This, I believe, is in general a fair sketch of the surrounding conditions and the basic assumptions of the historic image of the American citizen. This is the image that governs much of the political thought and rhetoric of today. But what of the change from the conditions that gave birth to this image?

Beginning with the great immigration waves of the 1840's and continuing with the industrialization of the North after the Civil War, American civilization underwent a major reconstruction. The conditions of life changed from the rural and agrarian society to an increasingly urban and industrial one. We have not yet accommodated ourselves to this change. We have not yet

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued Sept. 17, 1963
For actions of Sept. 16, 1963
88th-1st, No. 146



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HIGHLIGHTS: Sen. Humphrey urged study of expanding trade in wheat and other commodities with Soviet sphere. Sen. Lausche submitted amendment to USDA appropriation bill to increase interest rate on REA loans to 3 percent. House committee reported (on Sept. 13) tax reduction bill.

SENATE

1. APPROPRIATIONS; LOANS. Sen. Lausche submitted an amendment intended to be proposed to the agricultural appropriation bill for 1964 to increase the interest rate on REA loans from 2 percent to 3 percent. p. 16136
2. WHEAT; FOREIGN TRADE. Sen. Humphrey called attention to the sales agreement whereby Canada will deliver to Russia 239 million bushels of Canadian wheat and wheat equivalent of flour by July 31, 1964, cited this as an example of the U. S. being bypassed in its sales of wheat and other products for export to Russia, and called "upon our Government - the President, the Secretary of Agriculture, the Secretary of State, the Secretary of Commerce, and the Congress itself - to reexamine our trade policy and explore the possibilities of expanding foreign trade in food products in the Soviet sphere." Sen. Pell expressed support for Sen. Humphrey's statement. pp. 16205-6
3. NUCLEAR TEST BAN TREATY. Continued debate on ratification of the nuclear test ban treaty. pp. 16159-64, 16167-205, 16210-27

4. EMPLOYMENT. The Subcommittee on Employment and Manpower of the Labor and Welfare Committee voted to report to the full committee with amendments S. 1937, the proposed Equal Employment Opportunity Act providing for the establishment of an Equal Employment Opportunity Administration in the Department of Labor. p. D720
5. FARM COOPERATIVES. Sen. Thurmond inserted a Drew Pearson column, "Farm Cooperatives Succeed in Rumania," in which he states that the farm cooperatives in Rumania seem to be working, in general, and have been more successful than those in Russia. p. 16209
6. WATER RESOURCES. Sen. Metcalf inserted several items in support of the Knowles Dam project on the Columbia River for flood control, power generation, recreation, and other related water uses. pp. 16150-9
7. CONGRESSIONAL ORGANIZATION. Sen. Bartlett supported the establishment of a Joint Committee on the Organization of the Congress to study and recommend means of improving congressional procedures. p. 16139

HOUSE

8. TAXATION. The Ways and Means Committee reported (on Sept. 13, during adjournment) without amendment H. R. 8363, the tax reduction bill (H. Rept. 749). p. 16131
9. FOREIGN ASSISTANCE. Both Houses received the President's annual report on the foreign assistance program (H. Doc. 157). pp. 16130, 16132
10. FOREIGN AID. Received from the Treasury a proposed bill to amend the International Development Association Act to authorize the United States to participate in an increase in the resources of the International Development Association; to the Banking and Currency Committee. p. 16130
11. HOUSING. Received from the Comptroller General a report on "undue increases in maximum Federal Contributions resulting from the method of financing off-site community facilities for low-rent housing projects, Public Housing Administration, Housing and Home Finance Agency." p. 16130

ITEMS IN APPENDIX

12. ELECTRIFICATION. Extension of remarks of Sen. Metcalf complimenting the extension of electric power facilities to the Yaak River Valley, Mon. p. A5798
Extension of remarks of Rep. Saylor inserting an article critical of the extension of the Bonneville Power Administration to southern Idaho. p. A5914
13. NATIONAL RESOURCES. Extension of remarks of Sen. Nelson inserting his news release noting the natural resources development in Wisconsin and USDA's study of the northern parts of Wisc., Mich., and Minn. recommending ways of revitalizing their economy. pp. A5801-2
14. MONOPOLIES. Extension of remarks of Sen. Beall inserting an address expressing a businessman's view of the antitrust laws. pp. A5824-6
15. FOREIGN AID. Extension of remarks of Rep. Brademas inserting his "facts" in opposition to an article in the Congressional Record on Aug. 30 entitled, "Foreign Aid: A Foolish Fantasy". pp. A5807-9

He had a dazed look.

He knows he has quintuplets, all right, but the ramifications hadn't begun to soak in.

The father of 5 children already obviously hadn't gotten used to suddenly becoming the father of 10.

Mr. Fischer's parents were proud, but also a little dazed.

Mrs. John Fischer, a small brown-eyed woman of 63, said:

"I just don't know what to say."

The elder Mrs. Fischer spent the night that quintuplets were imminent in the family.

Grandma Fischer got the word by telephone. She cried the news to her husband outside.

"What are you crying for?" he asked. "I'm happy about it."

The elder Mr. Fischer spent the night praying that everything would be all right for the expected infants and the rest of the family.

Danny, who is almost 8, was the only boy in the family until this morning. He didn't have much to say about the change.

When Mr. Fischer's children first heard the news they, like everyone else, couldn't believe it.

They just looked at each other and grinned.

Later, they decided it was going to be just fine—each would have a pet.

President and Mrs. Kennedy learned of the birth at Newport, R.I., and wired congratulations.

The message said:

"Please accept our best wishes and hearty congratulations on the occasion of the birth of your quintuplets. It is an event of great national pride. We wish Mrs. Fischer a speedy convalescence and we wish for the continued satisfactory progress of the infants."

"PRESIDENT and Mrs. KENNEDY."

An aid to Senator KARL MUNDT, Republican, of South Dakota, offered his assistance. And Aberdeen Mayor J. Clifton Hurlbert proclaimed it "Mr. and Mrs. Andrew Fischer Day" in the city.

Senator Mundt also sent a congratulatory telegram to the parents, saying, "Heartiest congratulations on your amazingly happy event. You have put Aberdeen on the world map. Mrs. Mundt joins me in extending the best of good wishes for a happy future for your whole family."

[From the Washington Star, Sept. 15, 1963]

VENEZUELAN CONGRATULATE THE FISCHERS

MARACAIBO, VENEZUELA.—The parents of Venezuela's quintuplets congratulated the Andrew Fischers of Aberdeen, S. Dak., yesterday on the births of theirs.

"Is that so?" said Efrén Prieto when told the news. "We are happy. We congratulate them."

Mr. Prieto was with his wife, Ines, in her room at the university hospital where their 5 boys were born last Saturday.

[From the Washington Star, Sept. 15, 1963]

ANNETTE DIONNE THRILLED BY BIRTH OF U.S. QUINTS

MONTREAL, September 14.—Annette Allard roused her husband, Germain, from a late morning sleep today to tell him about the birth of quintuplets in Aberdeen, S. Dak.

"Isn't it thrilling?" she asked. Annette is one of the five Dionne quintuplets born May 28, 1934, in Callander, Ontario.

"She was really excited about it," Mr. Germain said later, telling about his wife's reaction to the South Dakota births.

"She said she would like to see them, and write them to wish them luck and extend her congratulations," he said. "I haven't spoken to the other Dionne quints, but I know they

were all pretty excited about the Venezuela quints."

The other surviving Dionne quintuplets are Yvonne, a nun in Moncton, New Brunswick; Cecile, wife of Philippe Langlois, and Marie, Mrs. Florian Houle. The fifth quint, Emilie, died August 20, 1954.

[From the Washington Star, Sept. 15, 1963]

QUINT FAMILY FLOODED BY TOWN'S AID OFFERS

ABERDEEN, S. DAK., September 14.—When a couple of your neighbors suddenly have a family of 10 kids under 8 years old, you stop in amazement for a moment—then pitch in to help out.

That's the way it was with Aberdeen residents today as they sparkled in the spotlight of worldwide attention with the birth of quintuplets to Mr. and Mrs. Andrew Fischer.

Aberdeen, which calls itself "The Hub City," has made the Andrew Fischers a community project.

Donations? You name it.

Three banks have kicked in savings accounts ranging from \$10 to \$100 each. A barbership promises free haircuts, grocery stores have lined up baby food by the case, a five-and-ten, \$100 worth of toys.

FLOOD OF OFFERS

A trading stamp center tossed in 25,000 stamps, there's \$250 worth of dry cleaning, color portraits, a free theater pass, and the telephone company says it will put in a free extension phone for a year.

The Fischers rent a four-bedroom farmhouse somewhat in need of repair—several offers promised paint and cash for a new house or remodeling of the old.

"The whole town is sparking," one resident said. "Everyone is happy for them."

Rev. William Neurath, pastor of Sacred Heart Catholic Church, said he plans to allude to the quint's birth in tomorrow's sermon.

"It's a great event," he said.

Aberdeen is a clean little city of about 23,000, noted mostly as one of pheasant-hunting capitals of South Dakota each fall. It's a distribution center for the area's livestock and farming business, and has a State college and a junior college.

QUADS BORN IN 1931

But it has never had quintuplets, although a set of quadruplets was born in the same hospital in 1931. All survived and are married with children of their own.

Mary Ann Fischer, object of the burst of attention for her five babies, has been a bowler of note in Aberdeen leagues and is an expert at vegetable preserving and other domestic duties.

She put up 100 quarts of dill pickles this fall, along with uncounted jars of fruits and vegetables.

She is a native of nearby Hecla, S. Dak. Andrew Fischer was born in Linton, N. Dak. They were married May 14, 1954, in Aberdeen.

Mr. Fischer has been employed by the Nash Finch Co., a wholesale grocery firm, for the last 18 years.

[From the Washington Star, Sept. 15, 1963]

DISTRICT'S ONLY QUINTS SURVIVED FOR 8 HOURS

The only known set of quintuplets ever born in the District lived just a few hours, according to available and incomplete records.

That was on March 27 and 28, 1945, when Mrs. Ada H. Turner, then 36, gave birth to five tiny girls, each weighing from 1 to 1½ pounds, at Freedmen's Hospital. The infants were 2½ months premature.

The first was born at 10:40 p.m. to the wife of Harold Turner, a Bureau of Standards clerk, and all had been born within the next 17 minutes. All died, despite efforts of the

hospital staff to save them, by 6 a.m. the next day.

Medically, quintuplets are a 41.5 million-to-1 shot and only five other sets are known to have been born in the United States since 1880. Quintuplet births occurred in Kentucky in 1896, 1914 and 1948, in Monticello, Ill., in 1880 and in Texas in 1959.

The birth of the thriving South Dakota quint to Mrs. Andrew Fischer was the second time it had happened in the Western Hemisphere within a week. Another set was born September 7 in Venezuela to Mrs. Inez Marie Cuervo de Prieto, 34, who, like Mrs. Fischer already had five children.

Only twice before in the Western Hemisphere have quintuplets survived infancy. The five Dionne sisters became world sensations and were declared natural resources of Canada when they were born in 1934. Four of them are still alive. The other surviving quint was born in Buenos Aires, Argentina, in 1943 to Mr. and Mrs. Franco Diligenti. Mr. Diligenti is a millionaire, whereas the Dionnes were as poor as the Venezuelan family.

Having the wealth to do so, Mr. Diligenti kept his brood pretty much out of sight and they grew up unaffected by the turmoil their birth created. The Dionnes more or less grew up in a goldfish bowl and it cannot be said that their exploitation brought them total happiness.

The Venezuelan Government has indicated it will help Mr. de Prieto with his suddenly expanded responsibilities.

[From the New York Times, Sept. 15, 1963]

QUINTUPLETS BORN IN SOUTH DAKOTA—30-YEAR-OLD MOTHER OF FIVE GIVES BIRTH TO FOUR GIRLS AND A BOY

ABERDEEN, S. DAK., September 14.—The 30-year-old wife of an Aberdeen shipping clerk gave birth to quintuplets today.

The doctor attending Mrs. Andrew Fischer said the first 72 hours of the infants' lives would be the most critical ones. However, he said the quintuplets—four girls and a boy—appeared healthy and normal.

Three previous instances of quintuplet births have been reported in the United States, but none of the children survived infancy. Quintuplets occur about once in 42 million births.

The births here followed by a week the birth of quintuplet boys in Venezuela. Quadruplets were born to a woman in Jackson, Miss., a week ago and a report from Iran said quadruplets were born there today.

Only two sets of quintuplets born in the Western Hemisphere have survived infancy—the Dionnes of Canada, born in 1934, and the Diligenti children in Argentina, born in 1943.

Mr. and Mrs. Fischer have five other children, aged 3½ to 7. The family lives on a small farm outside the city where they keep a couple of cows.

The eldest son, Danny, on hearing of the birth shouted:

"I wanted a brother and I got one."

In Newport, R.I., President Kennedy learned of the birth of the five children and sent a telegram of congratulations to the Fischers.

Sister M. Andre, director of nursing at St. Luke's Hospital, said one of the dangers to the quintuplets was hyaline membrane, a lung condition that sometimes develops in premature babies. This affliction led to the death of President Kennedy's second son some weeks ago.

The Fischer babies were about 2 months premature. Mrs. Fischer was brought to the hospital last Wednesday and was informed of the likelihood of quintuplets that night.

"About a half hour after the doctor told her, she started crying and cried all night," the 38-year-old father said.

As for himself, Mr. Fischer said, "I was shook."

Aberdeen, a city of some 23,000 in northeastern South Dakota, was excited by the news. Offers of assistance for the family poured into its daily newspaper and radio stations. One contractor sent in a check for \$500.

Merchants volunteered clothing and a new washer and drier. Relatives pitched in to milk the cows and tend the other youngsters while Fischer tried to sleep.

Mrs. Fischer was described afterward by a hospital aid as "tired and emotionally upset, but happy."

BIRTH TOOK ABOUT AN HOUR

The first to be born, a girl, arrived at 1:58 a.m. The boy was the fourth born. The fourth girl was born at 3:01 o'clock.

The babies were immediately placed in isolettes, individual chambers that control oxygen, temperature, and humidity. They will not be weighed for a day or two and will probably not be fed until at least tomorrow, the usual procedure in premature births. The infants have not been named as yet.

Mr. Fischer said he had not known of any multiple births in his or his wife's families. Besides Danny, his other children are Charlotte, 6; Julie, 5; Evelyn, 4½, and Denise, 3½.

"I don't make the most money in the world and it does present some problems," Mr. Fischer said. Relatives said he earns less than \$100 a week.

Mr. Fischer said he moved to the farm to keep cows and cut down on the family's milk bill.

Dr. James Berbos headed the medical team handling the deliveries. He said there had been some difficulty because four of the five were breech deliveries.

Dr. Berbos said X-rays last Wednesday confirmed the presence of quintuplets. He alerted the hospital, which ordered extra equipment.

TURNS COFFEE DRINKER

Mr. Fischer said he seldom drank coffee. But he downed plenty of it and smoked two packs of cigarettes while awaiting the births at the hospital.

"Keep a pot of coffee on the stove," he told hospital aids before heading home to give his other children the news. The family lives in a rented, slightly rundown farmhouse about a mile northwest of here.

Mrs. Fischer, a 5-foot-6 redhead, and her husband grew up in this area.

Her babies were the first quintuplets born in the United States since five girls were born to Mrs. Cecile Hannan in San Antonio, Tex., October 20, 1959. Four of the infants died within 10 hours of birth, the last about 18 hours after birth.

Mrs. Hannan was 27 at the time. Her husband, Charles, was an Air Force lieutenant.

[From the New York Times, Sept. 15, 1963]

FISCHER MARRIED IN 1955

ABERDEEN, S. DAK., September 14.—Andrew Fischer, who has worked for the last 18 years for the Nash-Finch Co., a wholesale grocer here, was born in Linton, N. Dak., and grew up in Eagle Butte, S. Dak., about 180 miles west of here.

Mrs. Fischer, the former Mary Ann Brady, is the daughter of a farmer. She lived near Hecla, S. Dak.

They were married May 14, 1955.

Mr. Fischer said the youngsters would be baptized by a Roman Catholic priest without names. Later, when they are able to leave the hospital, he said, they will be baptized again at a church.

DETERMINATION BY JURY OF THE AMOUNT OF JUST COMPENSATION FOR LAND REQUIRED BY NASA

Mr. STENNIS. Mr. President, for myself and my colleague, the senior Sena-

tor from Mississippi [Mr. EASTLAND], I introduce, for appropriate reference, a bill to accord to defendants in actions by the Federal Government for the condemnation of real property for public use the right to a determination by a jury of the amount of just compensation.

Almost 2 years ago, the National Aeronautics and Space Administration announced that it would establish a rocket testing facility in south Mississippi, acquiring fee simple title to 13,200 acres in the actual test site area, and an easement in about 126,000 acres in the so-called buffer zone. Since the original announcement, NASA and the Corps of Engineers, its land acquisition agent, have determined that it will acquire outright title to a portion of the property in the buffer zone.

In the period of time since the original announcement, the property has been appraised, negotiations undertaken, and many settlements made. Congress has appropriated, of course, the money to buy the land or the interest therein to be acquired.

In a number of cases, however, there is an honest difference of opinion between the landowners and the Corps of Engineers as to the actual value of the property to be acquired. In such cases where the landowners and the Engineers fail to negotiate a settlement, a condemnation suit in Federal court is filed and a trial is held to determine the value of the land and the amount to be received by the landowner for the property taken.

Under the present law, covered by rule 71A(h) of the Federal Rules of Civil Procedure, the landowner may demand a trial by jury of the issue of just compensation.

Unless the court in its discretion orders that, because of the character, location or quantity of the property to be condemned, or for other reasons in the interest of justice, the issue of compensation shall be determined by a commission of three persons appointed by it.

Mr. President, these people are the victims of circumstance. The Government is taking their land for a public purpose. They are not seeking to sell their property. Since the announcement of the Government facility, they have had to try to buy other property to replace that taken from them and have watched adjoining land increase in price. The value of property is the subject of honest differences of opinion, among landowners, real estate experts, and others. In such cases, it is only fair that those who are having to sell their property, against their will, should have a jury to determine the value and the issue of just compensation.

I am hopeful that, under the present law, the court will grant a jury trial in all cases where the landowner requests it. I believe this will be the case. But I strongly feel that a landowner in these circumstances is entitled to a jury trial as a matter of right. It is the fair way. It is just. It is the American way.

My bill will insure that every landowner whose property is taken by the United States under the power of eminent domain will be entitled to have a jury to decide the issue of just compensation, by filing a request for a jury trial. I think one whose property is taken

against his will is entitled to a jury trial and the assurance it will give him.

I sincerely hope that the committee and the Senate, in their wisdom, will act upon this bill at an early date so that these landowners can be assured a jury trial should they request it.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2148) to amend section 1345, title 28, United States Code, to accord to defendants in actions by the United States for the condemnation of real property the right to a determination by a jury of the amount of just compensation, and for other purposes, introduced by Mr. STENNIS (for himself and Mr. EASTLAND), was received, read twice by its title, and referred to the Committee on the Judiciary.

NOTICE OF MOTION TO SUSPEND THE RULE AMENDMENT OF AGRICULTURE APPROPRIATION

Mr. LAUSCHE submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 6754) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, and for other purposes, the following amendment, namely: viz: On page 38, between lines 5 and 6, insert a new section as follows:

Sec. 608. (a) The second sentence of section 4 of the Rural Electrification Act of 1936, as amended (7 U.S.C. 904), is amended by striking out "2 per centum per annum", and inserting in lieu thereof "3 per centum per annum".

(b) The third sentence of section 5 of the Rural Electrification Act of 1936, as amended (7 U.S.C. 905), is amended by striking out "2 per centum per annum" and inserting in lieu thereof, "3 per centum per annum".

(c) The amendments made by this section shall be effective with respect to loans made on and after the date of enactment of this Act.

Mr. LAUSCHE also submitted an amendment, intended to be proposed by him, to House bill 6754, making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of the amendment referred to, see the foregoing notice.)

ENCOURAGING REPORTS FROM VIETNAM—ADDITIONAL COSPONSORS OF RESOLUTION

Mr. CHURCH. Mr. President, over the weekend we heard the first encouraging reports to come out of Vietnam in many weeks. The Diem government announced that martial law would be lifted in South Vietnam at noon today, and that the national assembly election, postponed from August 31, would be rescheduled for September 27. These are welcome and encouraging developments, as is the report that most of the Buddhist priests that were jailed have now been released.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

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For actions of Sept. 18, 1963
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HIGHLIGHTS: Several Senators debated merits of sale of Canadian wheat to Russia. Rep. Cramer criticized administration for not protesting sale of Canadian wheat to Russia. Senate committee reported nomination of Mehren to be member of CCC Board. Senate committee reported bill to validate certain rice acreage allotments. Sen. Lausche submitted amendment to USDA appropriation bill to tie interest rates on REA loans to those of U. S. marketable obligations. Reps. Alger and Lipscomb urged passage of legislation prohibiting Government news service.

SENATE

1. **RICE ALLOTMENTS.** The Agriculture and Forestry Committee reported without amendment H. J. Res. 192, to validate certain rice acreage allotments which have been made in good faith by county ASC committees and used by producers prior to 1963, which may now be subject to recall due to technical violation of regulations (S. Rept. 503). p. 16449
2. **NOMINATION.** The Agriculture and Forestry Committee reported the nomination of Assistant Secretary George L. Mehren to be a member of the Board of Directors of CCC. p. 16449
3. **REA LOANS; APPROPRIATIONS.** Sen. Lausche submitted an amendment intended to be proposed to the agriculture appropriation bill for 1964 to repeal the present 2% interest rate on REA loans and provide that such loans shall bear interest at a rate equal to the average rate of interest payable by the U.S. on its

marketable obligations, having maturities of ten or more years, issued during the last preceding fiscal year in which any such obligations were issued and adjusted to the nearest one-eighth of one percent. p. 16452

4. WHEAT; FOREIGN TRADE. Several Senators debated the merits of the sale by Canada of 239 million bushels of wheat to Russia. Sen. Proxmire expressed shock and contended that Russia did not need the wheat for domestic consumption but would use it "to continue to have economic influence and domination over its satellites by using such wheat for export." Sen. Keating expressed concern that much of the wheat would go to Cuba and adversely affect our efforts for an economic blockade of Cuba. Sen. Mansfield stated that to the best of his knowledge "there has been no approval in Washington of what Canada has done in connection with this wheat deal." Sen. Aiken stated that instead of "constantly complaining, we should make some suggestions about what to do about the situation." pp. 16467-70
5. NUCLEAR TEST BAN TREATY. Continued debate on ratification of the nuclear test ban treaty (pp. 16452, 16462-3, 16487-525, 16526-36). Agreed to vote on ratification of the treaty Tues., Sept. 24 (pp. 16506, 16526).
6. FOREIGN TRADE. Sen. Humphrey urged that the U. S. take the initiative in the coming session of the United Nations General Assembly in exploring possibilities of expanding East-West trade, stating that the Russian-Canadian wheat deal indicates that there are very definite possibilities for extending such trade in nonstrategic products and that the "time for exploring the possibility of increased East-West trade has arrived." pp. 16536-41
7. ADMINISTRATIVE PROCEDURE. Sen. Mansfield inserted an article by Sen. Long (Mo.) "concerning the delay and cost that all too often are involved in administrative proceedings before governmental agencies." pp. 16472-4
8. BUDGETING. Sen. Proxmire inserted an editorial assessing the recommendations of the Statistics Subcommittee of the Joint Economic Committee for reform of the Federal budget. p. 16461
9. FORESTRY. Sen. Mansfield commended the corps of smokejumpers at the Forest Service smokejumping center at Missoula, Mont., and inserted an article describing the work of these employees. pp. 16458-9
10. CREDIT UNIONS. Received from HEW a proposed bill "to amend the Federal Credit Union Act to allow Federal credit unions greater flexibility in their organization and operations"; to Banking and Currency Committee. p. 16448

HOUSE

11. TAXATION. The Rules Committee granted a closed rule for consideration of H. R. 8363, the proposed Revenue Act of 1963 providing for reductions in corporate and individual income taxes. (p. D729). Rep. Rousch expressed his support for the bill (p. 16431). Rep. Curtis defended Republican opposition to the bill (pp. 16439-40).
12. WHEAT; FOREIGN TRADE. Rep. Cramer criticized the administration for not protesting the sale of Canadian wheat to Russia, stating that \$33 million of the wheat will be shipped directly from Canada to Cuba. p. 16437
13. FARM LABOR. Rep. Gonzalez opposed extension of the Mexican farm labor program. pp. 16433-4, 16438

the legitimate exempt and bona fide private operations, not to direct its main efforts under the forfeiture provision as it relates to safety violations against those who in the normal course of their activities are in substantial compliance with the law or whose violation is of an unintended and minor nature. The language relating to safety violations is viewed as a necessary tool for the Commission's use in its war on illegal and unlawful operations.

The Commission in its own testimony on a number of occasions has brought out the good safety compliance record of those carriers who operate within the law. In the normal course of their activities and relations with these carriers the Commission already has sufficient authority to bring about compliance with the safety regulations.

Safety regulation compliance has been a problem with respect to those who do not otherwise comply with the law, and it is with a view to these operators that the language relating to the failure or refusal to comply with the rules promulgated by the Commission pursuant to section 204(a) (1), (2), (3), and (3a) is included in this section. In addition, your committee believes that the forfeiture provisions relating to continuing violations should not apply except in those cases where adequate notice has been given after the initial offense is discovered.

D. SECTION 4

Section 4 of the bill would remove the exemption of "used household goods" from the provisions of section 402(b) of the Interstate Commerce Act. In consequence of the removal of this exemption, the provisions of part IV of the Interstate Commerce Act become applicable to freight forwarders of used household goods, except as otherwise provided by section 4 of the bill.

The transportation by motor vehicle of used household goods in interstate commerce has been regulated since 1935. When the Freight Forwarder Act was passed in 1942, the preponderance of household goods shipments moved by motor common carrier. The volume of household goods forwarding at that time was too inconsequential to warrant legislation. In recent years, the development of containerization and its application to the transportation of used household goods has had a vast impact upon both the manner of shipment and competitive relationships within the industry. Today, a substantial volume of household goods shipments are handled by forwarders in so-called door-to-door container service. Instead of loading individual articles of furniture into a motor van, transporting the shipment by motor van to destination (or to a port in the case of an overseas shipment where the goods are packed into a sea van for water transportation) household goods shipments moving by this mode are packed or consolidated in a container in the home, forwarded by rail, motor, or water carrier to destination, then unpacked from the same container at destination. Use of the container mode has grown to the point where the preponderance of overseas shipments of used household goods are handled in this manner. Witnesses who supported this bill indicated that the container mode will be used with increasing frequency for purely domestic shipments as well.

With the advent of containerization, there has developed an industry of freight forwarders of used household goods who specialize in this mode and who have been successful in diverting considerable traffic from certificated motor common carriers of household goods. Such forwarders employ the services of regulated rail, motor, and water carriers and compete with motor common carriers of household goods with respect to rates and service. Regulation of this activity is, therefore, needed in the public interest.

In addition to persons who engage exclusively in forwarding of used household goods also function as forwarders of such shipments. Some carriers have initiated door-to-door container service as an adjunct to their carrier operations. Because the development of new techniques is changing the complexion of the household goods moving and forwarding industry, it is believed that the scheme of regulation to be imposed, particularly as regards entry into business, should not impede its natural growth and development. Witnesses representing all factions agreed that regulation of this activity should take account of the special nature of household goods forwarding and should be sufficiently flexible in respect of entry controls to assure that existing competitive relationships will not be disturbed.

Section 4(b) of the bill would amend section 406(g) of the Interstate Commerce Act to direct the Commission in prescribing regulations and practices of household goods forwarders to consider the similarities of service provided by motor carriers of household goods. This direction recognizes the close relationship between these two activities.

Section 4(c) of the bill would amend section 410 of the act to provide for the issuance of a permit to operate as a freight forwarder of used household goods to any person found by the Commission to be fit, willing, and able properly to perform the service proposed. Permits are to be of 1-year duration and renewable annually. Both original and renewal applications must be accompanied by a fee of \$50. Neither a "grandfather" clause nor a finding of public need is deemed necessary for the effective regulation of this activity. Indeed, more stringent entry control would tend only to prefer those who have initiated token operations. Many persons have operated as freight forwarders of used household goods only sporadically, but unless they are allowed to qualify for a permit upon a showing of fitness, they will lose business to competitors and be unable to serve their customers as they have in the past. Such a loss or redistribution of business is not intended.

Section 4(d) of the bill would amend section 410(e) of the act to enable a motor common carrier of household goods to qualify as a freight forwarder of used household goods. Since many such carriers are now functioning as forwarders, this provision is required to enable them to perform the same service they have in the past.

Section 4(e) of the bill would amend section 410(e) of the act to make the provisions of that section inapplicable to freight forwarders of used household goods. In order to afford forwarders of used household goods the flexibility which their operations require, permits to be issued should contain no territorial restrictions. This provision is intended to effectuate this objective.

Section 4(f) of the bill would amend section 411(c) of the Interstate Commerce Act to enable a motor common carrier or a director, officer, employee, or agent of such carrier to control, acquire control, or hold stock in a freight forwarder of used household goods. Again, this provision is needed to protect the position of carriers or carrier personnel who have acquired a stock interest in a freight forwarder of used household goods.

Section 4(g) of the bill would amend section 417(b) of the act to accomplish the same objectives as those outlined in the discussion of section 2 relating to the amendment of section 222(b) of the act.

E. SECTION 5

Section 5, recommended in the President's transportation message, would authorize the Interstate Commerce Commission to make agreements with States to cooperate in the

enforcement of the economic or safety laws and regulations of the various States or of the Federal Government with respect to highway transportation. Of this provision the message stated:

"This law would be consistent with collateral efforts to develop and adopt uniform State registration laws for motor carriers operating within States but handling interstate commerce. The purpose of both of these efforts is to help eliminate unlawful trucking operations which abound because of diverse, ambiguous laws and practical limitations in enforcement."

Mr. SMATHERS. Mr. President, I fully appreciate and recognize that the Commerce Committee has had a busy session. I hope, however, that it will have a chance to give this important measure expeditious and favorable consideration.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2152) to amend the Interstate Commerce Act, as amended, so as to strengthen and improve the National Transportation System, and for other purposes, was received, read twice by its title, and referred to the Committee on Commerce.

TAXATION OF SMALL MUTUAL AND LIFE INSURANCE COMPANIES ON BOND DISCOUNT

Mr. LONG of Louisiana. Mr. President, I introduce, for appropriate reference, a bill to amend the Internal Revenue Code of 1954 to permit small mutual insurance companies and life insurance companies to be taxed on bond discount like other taxpayers. I ask unanimous consent that an explanation of the bill, prepared by me, be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the explanation will be printed in the RECORD.

The bill (S. 2154) to amend the Internal Revenue Code of 1954 to permit small mutual insurance companies and life insurance companies to be taxed on bond discount like other taxpayers, introduced by Mr. LONG of Louisiana, was received, read twice by its title, and referred to the Committee on Finance.

The explanation presented by Mr. LONG of Louisiana is as follows:

EXPLANATION OF AMENDMENT PROVIDING CAPITAL GAINS TREATMENT ON MARKET PROFITS REALIZED BY LIFE INSURANCE COMPANIES AND SMALL MUTUAL FIRE AND CASUALTY INSURANCE COMPANIES FROM THE PURCHASE OF BONDS AT LESS THAN PAR VALUE

Under present law, life insurance companies, and small mutual fire and casualty insurance companies are the only taxpayers denied capital gains treatment on market profits realized from bonds purchased at less than par value. This results because these taxpayers are required to accrue annually a pro-rata part of the difference between the par or face value of the bond and its lower purchase price. All other taxpayers report bond discount as capital gains when the bond is sold or redeemed. Until last year, medium, and large mutual fire and casualty insurance companies were also required to accrue bond discount, but this was changed by the Revenue Act of 1962.

On March 15 of this year, I introduced S. 1104 which eliminated the requirement for accruing discount on tax-exempt bonds only. S. 1104 was restricted to discount on mu-

municipal bonds so as to eliminate the necessity of litigating the question of whether amounts of accrued discount on tax-exempt bonds were to be treated as tax-exempt interest or fully taxable interest. This is an issue recently raised by an Internal Revenue ruling (Rev. Ruling 60-210), and should be resolved by legislation and not left for the courts to decide.

The litigation of this recently created issue would be expensive both to taxpayers and to the Government and involves only years after 1960, even though the statute requiring accrual of discount has been in existence since 1942. Prior to 1961, mutual fire and casualty insurance companies and life insurance companies consistently and uniformly treated the accrued discount on municipal bonds as tax-exempt interest.

S. 1104, by allowing capital gains treatment on municipal bond discount, would avoid this litigation by giving life insurance companies and small mutual fire and casualty insurance companies the same relief from Revenue Ruling 60-210 that was accorded to medium and large mutual fire and casualty insurance companies last year by the Revenue Act of 1962. Thus, all taxpayers to which Revenue Ruling 60-210 applied would be treated alike.

Since the introduction of S. 1104, I have had inquiries suggesting that I expand my proposal to also eliminate the requirement of accruing market discount on taxable bonds. It was pointed out to me that the original purpose of the provision requiring life insurance companies to accrue discount on bonds at the time it was first enacted in the Revenue Act of 1942 was to provide a means of taxing this type of capital gains since life insurance companies were not taxed on capital gains at that time.

This purpose is recognized in the Conference Committee Report of the Revenue Act of 1942 (77th Cong., 2d sess., H. Rept. 2586) where at page 53 the elimination by the Senate of the House provisions including capital gains and losses from income and deductions and the Senate addition of the provisions relating to amortization of bond premium and discount provisions were explained as follows: "Amendment No. 206. * * * Capital gains are excluded in the tax base, and amortization of bond premiums and accrual of bond discount is provided for."

Since the Life Insurance Company Income Tax Act of 1959, however, life insurance companies have been subjected to tax on their capital gains. Therefore, the original reason for requiring the accrual of discount on all bonds by life insurance companies no longer exists.

This bill, by eliminating the required accrual of market discount for all bonds, will correct a matter which was overlooked when the Life Insurance Company Income Tax Act of 1959 was enacted. Also, by providing similar treatment for small mutual fire and casualty insurance companies, it will correct an oversight in the Revenue Act of 1962 when the required accrual of bond discount was eliminated for medium and large mutual fire and casualty insurance companies but not for the smaller companies.

The bill applies to tax years beginning after December 31, 1962, the same effective date as is applied to medium and large mutual fire and casualty insurance companies by the Revenue Act of 1962.

I am informed that the annual revenue loss caused by the enactment of this bill will be less than \$1 million, after taking into account the capital gains taxes that are ultimately due.

NUCLEAR TEST BAN TREATY—RESERVATIONS AND AMENDMENT

Mr. LONG of Louisiana. Mr. President, I submit a reservation, intended to

be proposed by me, to the resolution of ratification of the treaty banning nuclear weapon tests in the atmosphere, in outer space, and underwater, and ask that it be printed. The reservation would assure that this Nation, under the treaty, would be permitted the use of atomic weapons in the event of warfare.

The VICE PRESIDENT. The reservation will be received, printed, and will lie on the table, as requested by the Senator from Louisiana.

Mr. MILLER. Mr. President, with respect to the pending resolution of ratification, I send to the desk an amendment and also a reservation, and ask that they be printed, and also that they be printed in the RECORD.

The PRESIDING OFFICER. The amendment and reservation will be received, printed, and will lie on the table, and, without objection, will be printed in the RECORD.

The amendment and reservation are as follows:

AMENDMENT

At the end of the resolution of ratification add the following new paragraph:

"Following ratification of the treaty by the Presidium of the Supreme Soviet, the Secretary of the Senate is hereby instructed to return this Resolution to the President of the United States for appropriate action."

RESERVATION

Before the period at the end of the resolution of ratification insert a comma and the following: "subject to the reservation, which is hereby made a part and condition of the resolution of ratification, that the instrument of ratification of the treaty by the United States shall not be deposited as provided by paragraph 3 of article III thereof until the Union of Soviet Socialist Republics has paid all of its delinquent assessments to the United Nations."

NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENT OF DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATION BILL, 1964

Mr. LAUSCHE submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 6754) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, and for other purposes, the following amendment; namely:

On page 38, between lines 5 and 6, insert a new section as follows:

"Sec. 608. (a) The second sentence of section 4 of the Rural Electrification Act of 1936, as amended (7 U.S.C. 904), is amended by striking out "and shall bear interest at the rate of 2 per centum per annum; interest rates on the unmatured and unpaid balance of any loans made pursuant to this section prior to the effective date of this amendment shall be adjusted to 2 per centum per annum, and the maturity date of any such loans may be readjusted to occur at a date not beyond thirty-five years from the date of such loan;" and inserting in lieu thereof the following: "and shall bear interest at a rate equal to the average rate of interest payable by the United States of America on its marketable obligations, having maturities of ten or more years, issued during the last preceding fiscal year in which any such obligations were issued and adjusted to the nearest one-eighth of one per centum."

"(b) The third sentence of section 5 of the Rural Electrification Act of 1936, as amended (7 U.S.C. 905), is amended by striking out "and shall be at a rate of interest of 2 per centum per annum; interest rates on the unmatured and unpaid balance of any loans made pursuant to this section prior to the effective date of this amendment shall be adjusted to 2 per centum per annum", and inserting in lieu thereof "and shall bear interest at a rate equal to the average rate of interest payable by the United States of America on its marketable obligations, having maturities of ten or more years, issued during the last preceding fiscal year in which any such obligations were issued and adjusted to the nearest one-eighth of one per centum".

"(c) The amendments made by this section shall be effective with respect to all loans made on and after the date of enactment of this Act."

Mr. LAUSCHE also submitted an amendment, intended to be proposed by him, to House bill 6754, making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

ADDITIONAL COSPONSORS OF BILLS

Mr. BOGGS. Mr. President, I ask unanimous consent that at the next printing of the bill (S. 108) making Columbus Day a legal holiday, the name of Mr. WILLIAMS of New Jersey be included as a cosponsor.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. BOGGS. Mr. President, I also ask unanimous consent that at the next printing of the bill (S. 2115) to improve the balance-of-payments position of the United States by permitting the use of reserved foreign currencies in lieu of dollars for current expenditures, the name of Mr. DOMINICK be included as a cosponsor.

The VICE PRESIDENT. Without objection, it is so ordered.

AID TO VIETNAM—ADDITIONAL COSPONSORS OF RESOLUTION

Mr. CHURCH. Mr. President, last Thursday I submitted a resolution (S. Res. 196) which provides that unless the Government of South Vietnam abandons policies of repression against its own people and makes a determined and effective effort to regain their support, military, and economic assistance to that Government should not be continued. I left the resolution on the table for a week until noon, Thursday, September 19, so that other Senators could join in cosponsorship. The latest Senators asking to cosponsor the resolution are the senior Senator from New Mexico [Mr. ANDERSON], the junior Senator from Maryland [Mr. BREWSTER], the junior Senator from New Hampshire [Mr. McINTYRE], and the junior Senator from Tennessee [Mr. WALTERS].

I ask unanimous consent for their names to be added. This brings to 30 the number of Senators now sponsoring the resolution.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
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HIGHLIGHTS: Sen. McCarthy urged enactment of surplus reduction payments dairy program. Sen. Mundt submitted amendment to agricultural appropriation bill to extend expiring conservation reserve contracts. Sen. Magnuson criticized continued use of free-world ships in foreign trade with Cuba.

SENATE

- 1. DAIRY INDUSTRY.** Sen. McCarthy spoke in support of his proposal to provide a program of surplus reduction payments to reduce the surplus of dairy products which he stated "could increase the net income of dairy farmers by \$150 million, cut the estimated surplus in half, and still reduce Government costs by \$37 million compared to expenditures which will be required this year under the existing program" and inserted a summary of his proposal and two items in support of it. pp. 16691-3
- 2. APPROPRIATIONS; CONSERVATION RESERVE.** Sen. Mundt submitted an amendment (for himself and several other Senators) intended to be proposed to the agricultural appropriation bill for fiscal year 1964 to authorize the Secretary of Agriculture to extend until Dec. 31, 1965, any conservation reserve contract, authorized under the Soil Bank Act, which is scheduled to expire either on Dec. 31, 1963, or Dec. 31, 1964, if the producer concerned makes application for such extension in accordance with such regulations as the Secretary may prescribe. pp. 16688-9

3. NUCLEAR TEST BAN TREATY. Continued debate on ratification of the nuclear test ban treaty. pp. 16699-716, 16723-45
4. FOREIGN AID. Sen. Magnuson criticized the continued use of free-world ships in trade with Cuba, stated that although many nations involved have little or no control over the ships that may be flying their flags he is hopeful that nations of the free world will continue their efforts to discourage such shipping to the point where there will be a complete economic blockage of Cuba, and inserted a list of free world and Polish-flag ships that have entered and departed from Cuba since Jan. 1, 1963. pp. 16721-3
5. INFORMATION. Sen. Neuberger spoke in support of proposed freedom-of-information legislation to increase the availability of Federal agencies' orders, opinions, policy statements, records, etc., for public inspection and inserted an article in support of such legislation. pp. 16694-5
6. FINANCE; FOREIGN AID. Received from Treasury a special report of the National Advisory Council on International Monetary and Financial Problems, concerning a proposed increase in the resources of the International Development Association. p. 16685
7. ADJOURNED until Mon., Sept. 23. p. 16745

ITEMS IN APPENDIX

8. FISHERIES. Extension of remarks of Sen. Magnuson inserting an article urging enactment of legislation to prohibit encroachment on U. S. territorial waters by foreign fishermen. pp. A5939-40
9. PRICES. Extension of remarks of Sen. Randolph favoring the quality stabilization bill and inserting Sen. Hartke's address on this subject. pp. A5943-5
10. FARM LABOR. Extension of remarks of Rep. Leggett stating that "the real need for a special labor program in California is dictated by the extremely short harvest season on many of its crops," and that "the Mexican labor program is the only current solution." pp. A5945-6
11. RESEARCH. Extension of remarks of Sen. Magnuson favoring expansion of the Nation's oceanographic research program and commending and inserting a Life magazine article, "\$2.3 Billion Should Go Into the Ocean." pp. A5946-8

BILLS INTRODUCED

12. CREDIT UNIONS. S. 2161, by Sen. Sparkman, to amend the Federal Credit Union Act to allow Federal credit unions greater flexibility in their organizations and operations; to Banking and Currency Committee. Remarks of author, pp. 16687-8

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COMMITTEE HEARINGS:

- Sept. 23: Suspension of restrictions on shipment of lumber to Puerto Rico in U.S. ships, S. Commerce (lumber industry witnesses).
- Oct. 1: Marketing orders for potatoes for canning and freezing, S. Agriculture (Hedlund, AMS, to testify).

cial basis. In approving these modifications, the committee has taken note of the fact that the railroad unemployment insurance system provides superior protection to career railroad employees with the consequence that railroad carriers in general contribute more to the system than do employers generally in other industries. In contrast in many instances State systems provide such limited protection that supplementary plans financed privately are found necessary.

The railroad unemployment insurance system shares the unique qualities of the companion railroad retirement system. The changes in the railroad unemployment insurance system do not set a pattern for other unemployment compensation systems and are not intended to serve as a precedent.

Mr. BURDICK. Mr. President, the senior Senator from Oregon has been very generous in his comments on my role in the development of the railroad retirement bill which he has just reported to the Senate. And in turn I should like to express my gratitude to him for the skillful and vigorous way in which he has carried this bill forward.

It was my good fortune to serve as a member of the Committee on Labor and Public Welfare for the past few years and as chairman of its Subcommittee on Railroad Retirement until recently. The most acute problem which we faced in the subcommittee during this period is that which would be cured by this bill.

The annual actuarial deficit in the system became pronounced during the past few years largely because of the declining payrolls in railroading, and finally in 1961 the President directed the Railroad Retirement Board to reexamine the financial structure of the system in order to develop legislation to correct this deficiency. By this point the deficit had climbed to a peak of \$77 million per year. Equally alarming was the fact that the railroad unemployment insurance system was no longer capable of meeting the demands upon it. It found it necessary to borrow from the railroad retirement account in order to meet its current obligations and as of this time has developed a debt in excess of \$300 million. It now lacks the capacity to repay this sum without the measures provided by the bill which has just been reported.

The bill is a third in a series of bills which I introduced on this subject and represents a most careful and detailed examination of the problems on the part of all parties in our effort to develop the most effective measures to restore each of these systems to good health. The noteworthy fact is that the railroad carriers, the Railroad Brotherhoods and the Railroad Retirement Board, the Federal agency responsible for administering this program are all in agreement that this bill represents the most feasible method for handling this grave problem at this time.

It should be noted also that H.R. 8100, which is identical to S. 2056, was unanimously reported out by the House Committee on Interstate and Foreign Commerce and was enacted by the House without a dissenting vote. In the hearings which the Senate Subcommittee on Railroad Retirement held, not a single

dissenting voice was heard in opposition to the bill. Both the subcommittee and the full committee thereafter reported the bill out without dissent.

I should like to endorse the remarks of the Senator from Oregon with respect to the unique and special nature of these railroad retirement and unemployment insurance programs and join with him in his assurances that the measures which this bill now provides are not to be taken as a precedent for any other pension or unemployment compensation system. The problems are uniquely a result of the manpower and employment issues which have been facing the railroad system and require special consideration in view of the character and significance of this industry, so strongly earmarked by the interest of the public in maintaining a sound and effective system of transport.

The bills will reduce the actuarial deficit in the railroad retirement system by \$61 million per year and will improve the financial condition of the unemployment system by about \$20 million per year. Under its terms financial health should be restored to each of these systems and the men in railroading who so heavily rely upon the security which they afford can be assured that their reliance is well placed. I urge the Congress to enact this bill at the earliest possible moment.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MCCARTHY:

S. 2160. A bill to prohibit States, in the administration of State aid-to-the-blind programs established pursuant to titles X or XVI of the Social Security Act, from imposing as conditions of eligibility for aid thereunder residence requirements which discourage blind persons from changing their residences from one State to another, thereby enabling such persons to enroll in rehabilitation programs located outside of their present State of residence; to the Committee on Finance.

By Mr. SPARKMAN:

S. 2161. A bill to amend the Federal Credit Union Act to allow Federal credit unions greater flexibility in their organization and operations; to the Committee on Banking and Currency.

(See the remarks of Mr. SPARKMAN when he introduced the above bill, which appear under a separate heading.)

By Mr. FULBRIGHT (for himself, Mr. CLARK, Mr. DIRKSEN, Mr. ERVIN, Mr. HICKENLOOPER, Mr. HUMPHREY, Mr. JAVITS, Mr. JORDAN of North Carolina, Mr. KEATING, Mr. KUCHEL, Mr. SALTONSTALL, and Mr. SCOTT):

S.J. Res. 120. Joint resolution providing for the recognition and endorsement of the 17th International Publishers Congress; to the Committee on Foreign Relations.

(See the remarks of Mr. FULBRIGHT when he introduced the above joint resolution, which appear under a separate heading.)

GREATER FLEXIBILITY IN ORGANIZATION AND OPERATIONS OF FEDERAL CREDIT UNIONS

Mr. SPARKMAN. Mr. President, I introduce, for appropriate reference, a bill to amend the Federal Credit Union Act

to allow Federal credit unions greater flexibility in their organization and operations. I ask unanimous consent to have printed in the RECORD a letter from the Assistant Secretary of the Department of Health, Education, and Welfare, relating to the bill.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 2161) to amend the Federal Credit Union Act to allow Federal credit unions greater flexibility in their organization and operations, introduced by Mr. SPARKMAN, was received, read twice by its title, and referred to the Committee on Banking and Currency.

The letter presented by Mr. SPARKMAN is as follows:

DEPARTMENT OF HEALTH,
EDUCATION AND WELFARE,
September 12, 1963.

HON. LYNDON B. JOHNSON,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: I am enclosing for your consideration a draft of a bill to amend the Federal Credit Union Act to allow Federal credit unions greater flexibility in their organization and operations. The four amendments proposed by the draft bill, explained below, together with the two amendments to the act embodied in H.R. 4842, as passed by the House of Representatives on August 19, 1963 (one, to provide greater flexibility in the time for holding annual meetings of credit unions, and the other to delete the requirement that the treasurer of a credit union be its general manager) would provide greater flexibility and otherwise improve the operation of Federal credit unions.

EXPANSION OF INVESTMENT POWERS

Section 1 of the bill would expand Federal credit union investment powers to allow Federal credit unions to invest in obligations issued by Federal land banks, Federal intermediate credit banks, banks for cooperatives, the Federal Home Loan Bank Board, and the Federal National Mortgage Association even though they may not be guaranteed by the United States. Some of these securities were guaranteed by the United States until their soundness and marketability were fully established. They generally provide a slightly higher yield than securities guaranteed or issued directly by the United States. Allowing Federal credit unions to invest in them would provide a wider market for the issuing agencies, thus aiding their programs also.

INCREASE IN SUPERVISORY COMMITTEE MEMBERSHIP

Section 2 of the bill would allow Federal credit union boards of directors to appoint from three to five members to their supervisory committees. Section 12 of the Federal Credit Union Act now prescribes three members, and it is felt that allowing two additional members to be appointed will help to insure that supervisory committees will be large enough to enable them to adequately perform their audit and control functions. At the same time, limiting such committees to a maximum of five members would prevent the responsibilities of each committee member from becoming overly attenuated.

INTEREST REFUNDS PERMITTED SEMIANNUALLY

Section 3 of the bill would allow Federal credit unions to make interest refunds with respect to any period for which dividends could be paid. The present law permits interest refunds annually, while dividends may be paid semiannually. The two kinds of payments are interrelated; and credit unions would be better able to determine what portion of their earnings should go to each category of payments if they could

make interest refunds each time they could pay dividends.

INSURANCE UNDER TITLE I OF NATIONAL HOUSING ACT DEEMED SECURITY

Section 4 of the bill would provide that insurance obtained under title I of the National Housing Act for home improvement loans would be deemed adequate security, subject to regulations of the Director of the Bureau of Federal Credit Unions. The amendment would clarify any doubt as to whether such insurance may be considered adequate security by Federal credit unions and would thus allow them to take full advantage of the FHA Title I programs.

We are advised by the Bureau of the Budget that there is no objection to the submission of this proposed legislation to the Congress from the standpoint of the administration's program.

Sincerely,

WILBUR J. COHEN,
Assistant Secretary.

SEVENTEENTH TRIENNIAL CONGRESS OF THE INTERNATIONAL PUBLISHERS ASSOCIATION

Mr. FULBRIGHT. Mr. President, I introduce, for appropriate reference, along with Senators CLARK, DIRKSEN, ERVIN, HICKENLOOPER, HUMPHREY, JAVITS, JORDAN of North Carolina, KEATING, KUCHEL, SALTONSTALL, and SCOTT, a joint resolution welcoming the International Publishers Association to the United States for its 17th triennial congress.

For the first time since its organization in 1896 the association will meet in the United States, 2 years from now. Several hundred book and music publishers from Western Europe, Latin America, the Middle East, Asia, and Africa will be meeting in Washington from May 30 to June 5, 1965, to discuss common problems and the free international exchange of published materials. The hosts will be the American Book Publishers Council, Inc., and the Music Publishers Association.

It is an honor to welcome to this country an organization which throughout its history has had as its primary purpose upholding freedom of thought in expression and in print. Article I of the basic statutes of the association is a stirring affirmation of this fundamental purpose:

Freedom of thought, both in speech and in print, is the nerve center of the spiritual life of man and of his mental activity. Without that freedom the whole of literature—the recorded fruits of that activity—would suffer to the detriment of human growth in character and in knowledge. All, therefore, who understand the value of freedom in thought, speech, and writing, and not least the publishers and distributors of books, should unite in securing that freedom, and should stand firmly together in opposing its restriction wherever attempted.

The International Publishers' Association has the essential task of upholding and defending the right to publish and distribute the works of the mind in complete freedom, both within the frontiers of each country and between the nations. Furthermore, its duty is to oppose steadfastly every restriction of that freedom wherever attempted or threatened.

We are happy to extend to the members of the association our sincere wishes for a fruitful meeting in Washington, and to invite them to take this oppor-

tunity to become better acquainted with the United States and its people and institutions. We hope the visiting publishers will not limit themselves to a few days' attendance at their conference but will come early and stay late. Professionally, we trust that out of the meeting will come an increased interchange of books both in their original languages of publication and in translation. Even in this day of easy international travel the book remains a basic means of understanding between countries, as well as an instrument of educational, technical, and economic development.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 120) providing for the recognition and endorsement of the 17th International Publishers' Congress, introduced by Mr. FULBRIGHT (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Foreign Relations.

Mr. JAVITS. Mr. President, it is with great pleasure that I join the Senator from Arkansas [Mr. FULBRIGHT] and a number of distinguished colleagues in sponsoring this joint resolution to extend an official welcome to the book and music publishers from abroad who will be attending the 17th Congress of the International Publishers' Association, which will meet in Washington, D.C., from May 30 to June 5, 1965, under the able leadership and sponsorship of the American Book Publishers Council, Inc., and the Music Publishers Association, Inc. The publishing industry in the United States has played an important role in the cultural growth of this country. The industry may well be proud of its leadership in expanding its activities into the international field and in its participation in the challenges and opportunities of international book and music publishing.

In May 1962 the 16th Congress of the International Publishers' Association was held in Barcelona, Spain, and was attended by some 800 delegates, representing 24 countries. Forty delegates from the United States attended the congress. With respect to the coming 17th congress, the U.S. planning committee of the book publishers' congress has suggested that a variety of subjects be discussed by the international group of publishers during the five or six scheduled work sessions, including first, present and future publishing in the emerging countries; second, the position of copyright; third, the problem of translations; fourth, the relation of publishing to the newer media in education; and fifth, the area of graphic arts. The planning committee of the congress has also prepared a tentative program of activity for the visiting publishers.

I take particular pride in joining my colleagues in extending welcome to the International Publishers' Congress in view of the fact that the State of New York, which I have the honor of representing, is considered by many the publishing center of the world and has contributed greatly to the cultural and economic development of the publishing industry. I am certain that the meeting

of the 17th International Publishers' Congress will result once again in a successful and constructive contribution to the publishing world and to those who benefit from its work.

NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENT OF AGRICULTURE DEPARTMENT APPROPRIATION BILL, 1964

Mr. MUNDT submitted the following notice in writing:

In accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 6754) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, and for other purposes, the following amendment; namely, on page 38, between lines 5 and 6, insert a new section as follows:

"SEC. 608. Notwithstanding any other provision of law the Secretary of Agriculture is authorized to extend until December 31, 1965, any conservation reserve contract (authorized under subtitle B of the Soil Bank Act) which is scheduled to expire either on December 31, 1963, or December 31, 1964, if the producer concerned makes application for such extension in accordance with such regulations as the Secretary may prescribe."

Mr. MUNDT also submitted an amendment, intended to be proposed by him to House bill 6754, making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. MUNDT. Mr. President, the amendment is cosponsored by the senior Senator from Colorado [Mr. ALLOTT], the junior Senator from Delaware [Mr. BOGGS], the senior Senator from Kansas [Mr. CARLSON], the junior Senator from Nebraska [Mr. CURTIS], the junior Senator from Colorado [Mr. DOMINICK], the senior Senator from Nebraska [Mr. HRUSKA], the junior Senator from Idaho [Mr. JORDAN], the junior Senator from Iowa [Mr. MILLER], the junior Senator from Wyoming [Mr. SIMPSON], the senior Senator from North Dakota [Mr. YOUNG], and the senior Senator from Iowa [Mr. HICKENLOOPER].

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement I have prepared, setting forth exactly what the Senators have in mind and their reasons for proposing the amendment as legislation on an appropriation bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.—Senator KARL E. MUNDT, Republican, of South Dakota, today introduced an amendment which would permit farmers to extend soil bank conservation reserve contracts now due to expire December 31 of this year. Eleven Senators joined as cosponsors of the amendment.

The Mundt amendment, submitted to the Department of Agriculture appropriations bill, would authorize the Secretary of Agriculture to extend the present program for 2 years.

He said the measure would also permit contracts which expire at the end of 1964 to be extended.

MUNDT said the Senators cosponsoring the proposal include ALLOTT and DOMINICK, of Colorado; BOGGS, of Delaware; CARLSON, of Kansas; CURTIS and HRUSKA, of Nebraska; JORDAN, of Idaho; HICKENLOOPER and MILLER, of Iowa; SIMPSON, of Wyoming; and YOUNG, of North Dakota.

The South Dakota Senator said congressional approval of the amendment will give the Secretary of Agriculture authority to extend contracts for 7,400,000 acres of land now in the conservation reserve.

"Unless Congress takes action," MUNDT said, "contracts on these 7,400,000 acres expire December 31, and this land will come back into production next year adding further to our problems of overproduction."

MUNDT noted that his amendment would not change the present program nor permit the soil bank acres to become involved in the controversy over a proposed House bill which has been the subject of argument for a number of weeks.

He said the House bill has been "bogged down" because it contains a provision to permit grazing of livestock on soil bank acres.

MUNDT said because opposition to the grazing provision has deadlocked the House measure, "the wise course of action is to merely extend the present program and let the grazing proposal be considered as a separate measure."

"This would permit the grazing suggestion to stand or fall on its own merits and not hinder the continuation of a program which already is law and requires only extension," MUNDT said. "Unless we make such an extension very promptly, these idled acres with their increased fertility will be adding greatly to our stored surpluses after next year's harvest. The delay in congressional action has already resulted in many of these acres being plowed under in readiness for next spring's planting."

Mr. MUNDT. Mr. President, the extension would in no way change contracts which now exist, from the standpoint of the controversial issue which has arisen; that is, whether soil bank acreage should be permitted to be used for the grazing of livestock. The extension would definitely prohibit such grazing. It would leave for future deliberation and consideration a new soil bank program or an extension which might evolve into a different utilization of idle acres.

OPPOSITION TO ASSISTANCE TO SOUTH VIETNAM—ADDITIONAL COSPONSORS OF RESOLUTION

Under authority of the order of the Senate of September 12, 1963, the names of Mr. ANDERSON, Mr. BREWSTER, Mr. EDMONDSON, Mr. HARTKE, Mr. MCINTYRE, Mr. METCALF, and Mr. WALTERS were added as additional cosponsors of the resolution (S. Res. 196) opposing conditional continuation of military and economic assistance to the Government of South Vietnam, submitted by Mr. CHURCH (for himself and other Senators) on September 12, 1963.

NOTICE OF HEARINGS ON SENATE JOINT RESOLUTION 118

Mr. SPARKMAN. Mr. President, I would like to announce that the Subcommittee on Housing of the Banking

and Currency Committee will hold hearings on Senate Joint Resolution 118, which would increase the authorization for direct loans for housing for elderly persons, and S. 1170, a bill to assist in the provision of housing for elderly persons. These hearings will be held on October 1 and 2, in room 5302, Senate Office Building, beginning at 10 a.m. each day.

All persons wishing to testify should contact Mr. Carl A. S. Coan, staff director of the subcommittee, room 5228, Senate Office Building.

ANNOUNCEMENT OF SHOWING OF "AFRICA TODAY"

Mr. ELLENDER. Mr. President, I again announce that on next Monday, September 23, as well as on Tuesday, September 24, there will be two showings of a series of motion pictures I took on my recent trip to Africa. The showings will take place at 2 p.m. and 7:30 p.m. each day, Monday and Tuesday, in the New Senate Office Building Auditorium.

The public is invited to attend, as are all Senators and Representatives in Congress and their staffs. I hope they will take advantage of this opportunity.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. RANDOLPH:

Addresses by Hon. Hulett C. Smith, Mr. Eugene M. Mortlock, Hon. Cecil H. Underwood, and Senator Randolph at 46th Annual Convention of the West Virginia Savings and Loan League, September 12-14, 1963, the Greenbrier, White Sulphur Springs, W. Va., and list of member associations of the West Virginia Savings and Loan League.

Address by Senator VANCE HARTKE, Democrat, of Indiana, before the Minnesota Retail Hardware Association Convention, Grand View Lodge, Echo Lake, Minn., August 27, 1963.

By Mr. GOLDWATER:

Address entitled "Is Conservatism Dynamic?" delivered by him before the Conservative Club of Montclair, N.J., on August 24, 1963.

By Mr. MCCARTHY:

Editorial entitled "Improving Congress" published in the St. Paul Pioneer Press, September 16.

Editorial entitled "CIA Operations in South Vietnam," published in the St. Paul Pioneer Press, issue of September 16, relating to current political developments in Vietnam.

By Mr. MAGNUSON:

Article entitled "A Circus, a Trip, and a Change," written by Drew Pearson and published in the Washington Post of September 19, 1963.

Article dealing with encroachment by foreign fishermen on U.S. territorial waters, written by Jack Metcalf and published in the New York Daily News of September 15, 1963.

Editorial entitled "Light Over the Merchant Marine" published in the New York Times of August 17, 1963.

Editorial entitled "\$2.3 Billion Should Go Into the Ocean," published in Life magazine of August 30, 1963.

Letter to him dated June 18, 1963, from Harold S. Geneen, president, International Telephone & Telegraph Corp.; letter to him, dated July 22, 1963, from Harold S. Geneen, president, International Telephone & Telegraph Corp.; letter to him, dated June 27, 1963, from David Sarnof, chairman of the board, Radio Corp. of America; address by E. William Henry, chairman, Federal Communications Commission, before Standing Committee on Communications, 86th annual meeting, American Bar Association, August 14, 1963; all relating to development of unified overall communications policy, which will appear hereafter in the Appendix.

By Mr. THURMOND:

Columns entitled "If This Country is to Survive" and "If the U.S. is to Survive Our Military Must Not Be Gagged," both written by Ralph de Toledano, and published in the Augusta (S.C.) Herald, on September 11 and 12, 1963, respectively.

THE GRAVE SITUATION IN VIETNAM

Mr. MANSFIELD. Mr. President, we are confronted with a grave situation in Vietnam. It is costing American lives and an enormous expenditure of public funds. There are no simple solutions. It is by no means an open-and-shut matter of going in and cleaning up the mess in quick order, or just packing up and leaving. In the first instance, "the quick order" could easily run to many years and thousands of American lives. In the second instance, we would be taking, in present circumstances, incalculable risks with respect to the whole future of the western Pacific.

And yet to do nothing, to permit our relationship to the situation to go on as usual, to continue to whistle in the dark as the darkness closed in on us, would have been to intensify the likelihood of one or the other of these extreme solutions—of all the way in or all the way out—which, in reality, are not solutions at all. What has been indicated for many months, Mr. President—clearly indicated has been the desirability of an attempt at modifications of our past policies, not only those with respect to Vietnam, but also those with respect to all of southeast Asia.

Some such modifications have obviously already been tried without very much success in Vietnam. It is likely that still others will be tried in the future. The success of any attempt is by no means automatic. Indeed, the prospect for any sort of successful modifications is very dim.

But it is clear, Mr. President, that whatever prospects there may be will be lost unless there is an administrative discipline, coupled with a capacity to readjust rapidly to change, among the agencies and responsible officials directly involved in carrying out such policies as may be directed by the President, through the Secretary of State.

There are probably in excess of 15,000 Americans now in Vietnam in a variety of agencies—mostly in the military services, but also in the Embassy, the aid programs, the USIS, or whatever. Unless they function—all of them, both those mentioned and those unmentioned—as a unit, in prompt response to such modifications of policies as may be laid down by the President and the Sec-

retary of State—and these two leaders alone—we will suffer the gravest consequences in Vietnam.

Mr. President, if this large contingent of Americans is so to function, there can be in Vietnam only one channel through which direction can flow. The President and the Secretary of State cannot set up headquarters in Saigon; but they do have in that tortured city an eminently qualified man who does speak for them—and is the only man who should speak for them—with their paramount authority in this matter. That is the Ambassador, Mr. Henry Cabot Lodge, our former colleague, and an outstanding American in every respect.

Mr. Lodge has the capacity, the wit, the experience, and the determination to provide overall direction and control—if any man can—for this vast, dangerous, and delicate operation. But he cannot do it alone. He must have the cooperation of all involved. I am disturbed, therefore, by press reports which suggest that he is not securing that cooperation. May I say, Mr. President, that it is not his function to beg that cooperation. It is his authority to require it in the name of the President of the United States.

Mr. President, it is obvious that we cannot control the behavior of the Vietnamese Government. But if we cannot control our own official behavior, if we cannot insure that the man who bears the responsibilities on the spot will have the prompt and full support of all others involved, if bureaucratic inertia or reticences or whatever tie his hands, we are face to face with a disaster in Vietnam. And may I say that it does not matter whether this ugly inadequacy in our administrative behavior occurs in Washington, in Saigon, or anywhere else. It is reprehensible at all times, but it is especially so at a moment of crisis.

So, Mr. President, I repeat that if there is any hope of a satisfactory solution in Vietnam, it must depend in the first instance on the ordering of our own bureaucratic house. It must be clear that the line of direction of American policy runs from the President to the Secretary of State to Ambassador Lodge, and all else must fit into this line. And if, to insure this ordering of our own house, certain individuals must be removed from it, then the sooner they are removed the better.

Mr. CARLSON. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. CARLSON. I compliment the majority leader for his very timely and, I believe, necessary statement, in view of our most difficult situation in South Vietnam. This problem has been of concern to many Members of Congress, who have been briefed session after session.

I sincerely hope that the statement just made by the majority leader will reach the attention of those in power and authority, not only in order that we may thus protect our position and help to establish there a sound and honest government with which we can have sincere and honest connections, but also

in order that our officials there will follow the channels they should.

I thank the distinguished majority leader for his statement.

Mr. MANSFIELD. I thank the Senator from Kansas.

Mr. KUCHEL. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. KUCHEL. I wish to say to the distinguished majority leader that obviously the responsibility for the crisis which has existed, continues to exist, and is enlarging, in South Vietnam, is one which runs to the President of the United States. That is why I say to the Senator that although some Senators have joined in sponsoring a resolution with respect to the crisis in Vietnam, I have declined to take that position, for it seems to me that, as the majority leader has suggested, this is a time when a crisis is brewing and when the responsibility rests, not in the Senate, but in the White House, in the State Department, and in the representation which this Government today maintains in South Vietnam. Under those circumstances, I believe the comments made this morning by the distinguished majority leader are to the point.

Mr. MANSFIELD. Mr. President, I appreciate the comments of the distinguished acting minority leader.

I wish to say that so far as this administration is concerned, orders did go out, 2 years ago, to the effect that our Ambassador to any country would be the head of all our activities in that country.

Speaking of our former colleague, Ambassador Henry Cabot Lodge, who also has served with distinction as a Senator from Massachusetts and as our Ambassador to the United Nations, and whose nomination was reported unanimously from the Committee on Foreign Relations, and was confirmed unanimously by the Senate, I point out that his job is difficult enough, without having factions or frictions develop among our officials in the country to which he has been assigned.

I should like to see these frictions done away with. We ought to give every possible cooperation to this man, in whom we have great confidence, because the job he has at the moment is in many respects one of the most difficult diplomatic jobs in the world.

Mr. KUCHEL. The Senator is correct.

THE PRESIDENT AND LYNDON JOHNSON

Mr. MONRONEY. Mr. President, although the American people are fully aware of the tremendously vital and consummate leadership skills of Vice President LYNDON B. JOHNSON, each day and each week he adds to his superb record of accomplishment. It is both heartwarming and reassuring to have these laurels documented through honest journalism. Recently, the nationally syndicated columnist Max Freedman provided another such documentation, and his column deserves our attention and recognition as a constructive and timely bit of reporting. Therefore I ask unanimous consent that Mr. Freedman's column, as

it appeared in the Houston, Tex., Chronicle on September 3 under the heading, "The President and LYNDON JOHNSON," be printed in the RECORD at this point.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

[From the Houston Chronicle, Sept. 3, 1963]

THE PRESIDENT AND LYNDON JOHNSON—AT FIRST WARY OF EACH OTHER, THEY NOW SHARE DEEP, ABIDING TRUST

(By Max Freedman)

WASHINGTON.—Vice President LYNDON JOHNSON is in Europe as the representative of President Kennedy on a mission to the Scandinavian countries this week. Thus, this is a good occasion for discussing the relations, both personal and official, between the two men.

Those relations are marked by a friendly trust not often seen in politics. The highest tribute any Vice President can receive comes when his advice and judgment are respected by the President. Those who know most about the inner history of the Kennedy administration are the first to testify that the Vice President has earned and long held this special relationship. Such quiet cooperation at the summit of the administration is more important than his public services, useful and varied as they are.

Very early in the administration, when the memories of the election campaign had not yet faded, Mr. JOHNSON used to tell his friends that his ambition was to be the kind of Vice President that he would have liked to have if he had been elected to the Presidency in 1960. What was once his aim has now become his accomplishment.

This has not been easy. At first some of the men near President Kennedy were skeptical and cautious. They remembered Mr. JOHNSON's immense power as majority leader in the Senate, and they wondered how he would behave in his new role. These doubts were wholly natural, and they bring no discredit on those who held them. But the period of suspense would have lasted much longer if the President had not shown such complete confidence in the Vice President.

Mr. Kennedy in the White House was for Mr. JOHNSON a leader of astonishing knowledge and resource. This was a very different man from the junior Senator of Massachusetts with whom he used to deal while he led the Senate. In the presence of his closest friends, where he could speak with absolute frankness, a note of profound admiration gradually crept into his voice as he talked about the President. That admiration has continued and has deepened.

During Mr. JOHNSON's years of leadership in the Senate the charge was often made that he was more interested in the manipulation of votes than in the settlement of issues. His critics forgot that his duties as majority leader compelled him to develop an almost proprietary interest in legislation, even when he personally did not agree with it.

At all events, this charge can no longer be made with any validity. He has a new concern for ideas and a much greater freedom in discussing them.

It is quite wrong, however, to think that his mind has moved in a totally new direction on civil rights; and it is an insult to think that his speeches in the racial crisis are the cynical products of political expediency.

Of course, he has been taught many valuable lessons by the racial upheavals of recent months. He thinks other people might have profitably heeded these lessons also. Sometimes it is necessary to reform in order to preserve. He still puts his trust in reason and abhors violence as a self-defeating weapon. Even now, as in 1957 when he brought the Senate to pass its first significant civil rights legislation since Reconstruction days,

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued Sept. 25, 1963
For actions of Sept. 24, 1963
88th-1st; No. 152

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HIGHLIGHTS: Sen. Lausche urged reduction in REA loan authorizations and increase in its interest rate. Sen. Mundt opposed increased trade with Russia in agricultural commodities. Sen. Javits submitted amendment to Agricultural appropriation bill

(Highlights continued on page 5)

HOUSE

1. POTATOES. The Agriculture Committee reported without amendment H. R. 904, to prohibit trading in Irish potato futures on commodity exchanges (H. Rept. 765). p. 17026
2. WHEAT GRADING. Rep. Ellsworth urged adoption of the proposed changes in wheat grading standards and inserted former Representative, and Chairman of the House Agriculture Committee, Hope's statement favoring the changes. pp. 17022-3
3. TAXATION; EXPENDITURES. Began debate on H. R. 8363, the proposed Revenue Act of 1963 providing for reductions in corporate and individual income taxes (pp. 16979-17015). Rep. Alger inserted Rep. Byrnes' (Wisc.) remarks urging amendment of the bill by requiring an official pronouncement from the President that the level of spending this year will not go above \$97 billion (pp. 17017-9) Rep. Pelly stated that he would vote for tax reduction if the administration puts "a brake on spending" (pp. 17023-4). Rep. Gonzalez urged passage of the tax reduction bill and agreed with the idea that private debt is productive

when investment loans are used on such items as the construction of electrical powerlines and for various agricultural purposes (p. 17020).

4. DEPRESSED AREAS. Rep. Widnall urged passage of his bill "to provide incentives to business for investment in America's own underdeveloped areas." He stated that the bill would be available to all redevelopment areas and would also be applicable to business concerns showing a record of profitable operation rather than as presently employed by the Area Redevelopment Administration. p. 17017
5. HOUSING. Both Houses received from the President the annual report of the Housing and Home Finance Agency for 1962. pp. 16979, 16911-2
6. APPROPRIATIONS. The conferees on H. R. 5883, the Labor and HEW appropriation bill, 1964, were given until midnight Tues. Sept. 24 to file a report. p. 16979
7. WATERSHEDS. The Agriculture Committee approved the work plans for the following watershed projects, which were then referred to the Appropriations Committee: Bajura, P. R.; Little Walnut-Hickory, Kans.; Nolan Creek, Tex.; Tri-County Turkey Creek, Okla.; and Waterfall-Gilford Creek, Okla. p. 17016
Received two letters from the Budget Bureau relative to plans for works of improvement relating to the following watersheds: Mud Creek, Ark.; Cane Creek, Ga.; Crooked Creek, Minn.; Joe River, Minn.; Little Shenango River, Pa.; Marsh Creek, Pa.; Weatherford-Bear Creek, Tenn., to the Agriculture Committee; and Middle Oconee Walnut Creek, Ga.; Baker River, N.H.; Lower Clear Boggy Creek, Okla.; Salt Camp Creek, Okla.; and Upper Bosque River, Tex., to the Public Works Committee. p. 17025
8. STOCKPILING. The Armed Services Committee reported without amendment S. 1994, to authorize the disposal, without regard to the prescribed 6-months waiting period, of certain water fowl feathers and down from the national stockpile (H. Rept. 759). p. 17025
9. NATIONAL PARK. The Interior and Insular Affairs Committee voted to report (but did not actually report) with amendment H. R. 6756, to revise the boundaries of Mesa Verde National Park, Colo. p. D743

SENATE

10. AGRICULTURAL APPROPRIATION BILL, 1964. This bill, H. R. 6754, was made the unfinished business for debate today (Wed.). p. 16972
Sen. Javits submitted an amendment intended to be proposed to this bill to provide that no part of the funds for Farmers Home Administration loans may be used in any State in which the participants in, or beneficiaries of, such loans are segregated. pp. 16919-20
Sen. Ribicoff submitted an amendment intended to be proposed to this bill. p. 16920
11. NUCLEAR TEST BAN TREATY. By a vote of 80 to 19, agreed to the resolution of ratification of the nuclear test ban treaty. pp. 16899-902, 16905-10
12. DEFENSE DEPARTMENT APPROPRIATION BILL, 1964. By a vote of 77 to 0, passed with amendments this bill, H. R. 7179 (pp. 16943-72). Conferees were appointed (p. 16972). This bill does not include funds for civil defense activities. The committee report states that funds for civil defense will be considered in a future appropriation bill. The bill retains a provision in last year's

appropriation bill providing that the indirect costs of research grants to nonprofit and educational institutions shall not be in excess of 20 percent of the direct costs of such grants (as passed by the House, the bill provided for a limitation of 25 percent of the indirect costs of such grants).

13. **ELECTRIFICATION; APPROPRIATIONS.** Sen. Lausche urged a reduction in the loan authorizations for the Rural Electrification Administration as provided in the agricultural appropriation bill, stating that "in view of the fact that more than 98 percent of the rural homes in this country already have electric service, I cannot see the need for this large sum" and that recent hearings "brought to light numerous occasions where the Rural Electrification Administration made loans in substantial sums for purposes of questionable nature and legality." Also, he stated that he would request consideration of his proposed amendment to the agricultural appropriation bill to increase interest rates on REA loans. pp. 16920-1
14. **FOREIGN TRADE; SURPLUS COMMODITIES.** Sen. Mundt disputed suggestions "that there is a great demand in the Farm Belt to ship our foodstuffs to Red Russia and Red China," stated that farmers "expect positive leadership from high places in America which will induce our friends in the free world to follow our example in restraint of trade to Communist countries," and inserted two editorials in support of his position. pp. 16927-9
15. **NOMINATION.** Confirmed the nomination of John A. Granouski to be Postmaster General. pp. 16910-1
16. **PRICES.** Sen. Morton charged "that a heavily financed campaign to defeat the quality stabilization bill is underway," and renewed his support for the bill as being in the public interest. pp. 16904-5
17. **TEXTILES.** The Commerce Committee submitted for printing a report of its Special Subcommittee to Study the Textile Industry on problems of the domestic textile industry (S. Rept. 524). p. 16912
18. **PERSONNEL; EMPLOYMENT.** Sen. Hruska disputed statements by the President "that Federal civilian employment has been growing at a rate slower than the national population." p. 16922
19. **CONGRESSIONAL ORGANIZATION.** Sen. Stennis inserted a discussion on television by Sens. Talmadge and Clark on the organization and operation of the Senate. pp. 16929-31
20. **ECONOMIC GROWTH.** Sen. Proxmire inserted an article from the Federal Reserve Bulletin challenging the "thesis of a slowdown in U. S. economic growth": "Measuring and Analyzing Economic Growth." pp. 16972-8
21. **LEGISLATIVE PROGRAM.** Sen. Mansfield stated that it is anticipated that the dairy bill will be considered during the second week of Oct. pp. 16942-3

ITEMS IN APPENDIX

22. **RESEARCH; ANIMAL DRUGS.** Extension of remarks of Rep. Sullivan opposing enactment of H. R. 7247, to amend the Food, Drug, and Cosmetic Act regarding the regulation of new animal drugs, and inserting her testimony opposing the bill. pp. A6018-9
23. **AREA REDEVELOPMENT** Extension of remarks of Rep. Widnall criticizing the Area Redevelopment Administration and inserting an article suggesting discontinuance of the area redevelopment program. pp. A6025-6

24. PRICES. Rep. Dingell inserted two items opposing the proposed quality stabilization bill. pp. A6018, A6020-1
25. FOREIGN TRADE. Rep. Derwinski inserted an article discussing "the competitive aspects of international trade": "Friendship Doesn't Count in Trade War" p. A6020
- Rep. Brademas inserted a recent address by Edward Scriven, Acting National Export Expansion Coordinator, "outlining a pattern for further private business initiative in searching out and developing foreign markets." pp. A6021-2

ITEMS IN APPENDIX

26. RECREATION Extension of remarks of Sen. Long (Mo.) inserting an editorial voicing concern over the possible shrinking of America's outdoors and recreation areas. pp. A5990-1
27. OPINION POLL. Extension of remarks of Rep. Conte inserting an opinion poll including such items as the farm price support program, the proposed tax reduction, Federal aid to education, Domestic Peace Corps, Youth Conservation Corps, and the foreign aid program. p. A5992
28. TAXATION. Extension of remarks of Rep. Findley inserting a letter from the President of the Ill. Agricultural Assoc. expressing concern that a tax cut would add stimulus to inflation which would in turn cause a greater economic disadvantage to the farmers. p. A6016
- Extension of remarks of Rep. Curtis inserting a letter from the American Farm Bureau voicing opposition to the proposed tax reduction. pp. A5994-5
- Various other extensions of remarks and inserting of articles favoring and opposing the proposed tax cut. pp. A5996, A5996-8, A5999, A6017-8, A6028
29. FARM LABOR. Extension of remarks of Rep. Leggett inserting an announcement concerning the hiring and wages of farm workers in Calif. p. A5996
30. MARKET NEWS SERVICE. Extension of remarks of Rep. Poff inserting an editorial criticizing the USDA market news service. pp. A6004-5
31. FUTURE FARMER. Extension of remarks of Rep. Nelsen inserting an article concerning the activities of the National Canners' Association for the National Junior Vegetable Growers' Association. pp. A6008-9

BILLS INTRODUCED

32. MEAT IMPORTS. H. R. 2168, by Sen. Hruska, providing for the negotiation of international agreements limiting the exportation of beef and veal to the United States; to Agriculture and Forestry Committee. Remarks of author, pp. 16913-7
33. FEED GRAIN. H. R. 8534, by Rep. Beckworth, to permit farmers who conduct family size farm operations and ranchers who conduct family-size ranch operations to grow without penalty grain to feed their poultry and livestock; to Agriculture Committee.
34. ATTORNEYS. H. R. 8535, by Rep. Collier, to provide for the right of persons to be represented by attorneys in matters before Federal agencies; to Judiciary Committee.

The bill (S. 2173) to amend the Tariff Act of 1930 and the act of February 13, 1911, to eliminate those provisions which require payment to the United States for overtime services of customs officers and employees, introduced by Mr. DOMINICK, was received, read twice by its title, referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 451 of the Tariff Act of 1930 (19 U.S.C. 451) is amended to read as follows:

"SEC. 451. SAME—EXCEPTIONS; EXTRA-COMPENSATION FOR CERTAIN OVERTIME SERVICES.

*"(a) The provisions of sections 450 and 452 of this Act shall not apply to the owner, operator, or agent of a highway vehicle, bridge, tunnel, or ferry, between the United States and Canada or between the United States and Mexico, nor to the lading or unloading of merchandise, baggage, or persons arriving in or departing from the United States by motor vehicle, trolley car, or foot, or by other means of highway travel upon, over, or through any highway, bridge, tunnel, or ferry. At ports of entry and customs stations where any merchandise, baggage, or persons shall arrive in or depart from the United States by motor vehicle, trolley car, on foot, or by other means of highway travel upon, over, or through any highway, bridge, tunnel, or ferry, between the United States and Canada or between the United States and Mexico, the collector, under such regulations as the Secretary of the Treasury may prescribe, shall assign customs officers and employees to duty at such times during the twenty-four hours of each day, including Sundays and holidays, as the Secretary of the Treasury in his discretion may determine to be necessary to facilitate the inspection and passage of such merchandise, baggage, or persons. Officers and employees assigned to such duty at night or on Sunday or a holiday shall be paid compensation in accordance with existing law as interpreted by the United States Supreme Court in the case of the *United States v. Howard C. Myers* (320 U.S. 561). As used in this section the term 'ferry' shall mean a passenger service operated with the use of vessels which arrive in the United States on regular schedules at intervals of at least once each hour during any period in which customs service is to be furnished as above provided.*

"(b) Upon a request made by the owner, master, or person in charge of a vessel or vehicle, or by or on behalf of a common carrier or by or on behalf of the owner or consignee of any merchandise or baggage, for overtime services of customs officers or employees at night or on a Sunday or holiday, the collector shall assign sufficient customs officers or employees available to perform any such services which may lawfully be performed by them during regular hours of business. Any customs officers or employees so assigned shall be entitled to rates of compensation fixed on the same basis and payable in the same manner and upon the same terms and conditions as in the case of customs officers and employees assigned to duty in connection with lading or unloading at night or on Sunday or a holiday.

"(c) Nothing in this section shall be construed to impair the existing authority of the Treasury Department to assign customs officers or employees to regular tours of duty at nights or on Sundays or holidays when such assignments are in the public interest."

"(d) Section 5 of the Act entitled 'An Act to provide for the lading or unloading of vessels at night, the preliminary entry of vessels, and for other purposes', approved

February 13, 1911, as amended (19 U.S.C. 267, 261), is amended—

(1) by striking out the second sentence thereof, and

(2) by striking out "the said extra compensation to be paid by the master, owner, agent, or consignee of such vessels" in the third sentence thereof.

SEC. 2. The amendments made by this Act shall take effect at twelve o'clock noon of the first Monday following the 30th day after the date of the enactment of this Act.

PUBLIC ADDRESS SYSTEM FOR SENATE CHAMBER

Mr. JAVITS. Mr. President, I submit, for appropriate reference, on behalf of myself, the senior Senator from Delaware [Mr. WILLIAMS], the Senator from Florida [Mr. SMATHERS], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Pennsylvania [Mr. CLARK], the Senator from West Virginia [Mr. RANDOLPH], and the junior Senator from Delaware [Mr. Boggs], a resolution to provide for the installation of a public address system within the Senate Chamber. The resolution, a revival of a similar effort which I made in 1957, would locate a microphone at the desk of the Presiding Officer and of each Senator.

A debate which took place on Monday of last week, in which a Senator claimed to have been misquoted by the press because his remarks on the Senate floor were not heard, highlighted an issue of Senate procedure which has long been of interest to me: the fact that, unlike the House of Representatives, which for many years has had a public address system in its Chamber, the Senate has no such system. The result is that often interesting and vigorous debate on the Senate floor is completely missed by the many visitors in the Visitors' Gallery and even heard only partially, if at all, by member of the working press in the Press Gallery. In this age of electronics, it is anomalous that the Senate should labor under such a disadvantage.

Certainly there is room for a small microphone at each Senator's desk, and the controls could be easily applied. One place that readily comes to mind is the little used inkwell, which recalls the days when quill pens were still used on the Senate floor. The inkwells are ornamental but not useful now.

When I first came to the Senate in 1957, as a member of the Committee on Rules and Administration, I made an effort to bring about the institution of a suitable public address system in the Senate Chamber. The committee asked the Architect of the Capitol to study the feasibility of the plan. The staff of the committee made a survey of the then 96 Members of the Senate and found that a considerable number were interested in the change; also, a considerable number were opposed to any change, principally because of technical difficulties which I think, with the greatly improved state of the art of electronics, can now be entirely eliminated.

This would be a helpful small step forward to bring Senate procedures more into line with the space age. I hope the support with which the idea was greeted on the Senate floor a week ago will re-

sult in early action by the Committee on Rules and Administration.

The VICE PRESIDENT. The resolution will be received and appropriately referred.

The resolution (S. Res. 207) was referred to the Committee on Rules and Administration, as follows:

Resolved, That (a) to insure that debates of the Senate may be heard in all parts of the Senate chamber and in the galleries thereof, the Committee on Rules and Administration is authorized and directed to take such action as may be required for the installation and operation within the Senate chamber of a suitable electrical public address system, including a microphone placed at the desk of the presiding officer and at the desk of each Senator.

(b) To the extent authorized by law, the expenses incurred for the installation and operation of such public address system may be defrayed from the contingent fund of the Senate.

Mr. JAVITS subsequently said: Mr. President, I ask unanimous consent that the resolution I submitted earlier today to provide a suitable electronic public address system in the Senate Chamber may lie on the table until the close of business on Friday, September 27, for cosponsorship by other Senators.

I take the opportunity to call the attention of the Senate to the fact that the resolution has been submitted, and to say to Senators who are interested in this modernization of the Senate, so that we may be heard—which is a pretty simple modernization—that I was stimulated to submit it by the situation in which the Senator from Virginia [Mr. ROBERTSON] found himself, in which he was not heard. The resolution is cosponsored by Senators WILLIAMS of Delaware, SMATHERS, CLARK, HUMPHREY, RANDOLPH, and Boggs, and I hope that other Senators will join in the sponsorship of the resolution. It does have extensive sponsorship, and therefore there is hope that it may receive early action. It is the kind of resolution which should have the interest and sponsorship of Senators who are interested.

The VICE PRESIDENT. Without objection, it is so ordered.

NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENT OF AGRICULTURAL APPROPRIATION BILL

Mr. JAVITS submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 8754) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, and for other purposes, the following amendment; namely:

On page 33, line 2, delete the period and insert a semicolon and the following:

"Provided further, That no part of the funds appropriated under this title for the Farmers Home Administration shall be used in any State in which the participants in, or beneficiaries of, the programs of the Farmers Home Administration are segregated, or otherwise discriminated against, on account of race, creed, or color."

Mr. JAVITS also submitted an amendment, intended to be proposed by him to House bill 6754, making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment to, see the foregoing notice.)

DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATION BILL, 1964—AMENDMENT

Mr. RIBICOFF submitted an amendment, intended to be proposed by him, to the bill (H.R. 6754) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, and for other purposes, which was ordered to lie on the table and to be printed.

PROTECTION OF RIGHTS OF PUBLIC TO INFORMATION — ADDITIONAL COSPONSORS OF BILL

Mr. SMATHERS. Mr. President, I ask unanimous consent that the name of the junior Senator from Utah [Mr. Moss] be added as a cosponsor of S. 1666, a bill to clarify and protect the rights of the public to information.

The VICE PRESIDENT. Without objection, it is so ordered.

NOTICE OF HEARING ON NOMINATION OF FRANK KOWALSKI TO BE A MEMBER OF THE SUBVERSIVE ACTIVITIES CONTROL BOARD

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Thursday, October 3, 1963, at 10:30 a.m., in room 2228, New Senate Office Building, before the Subcommittee To Investigate the Administration of the Internal Security Act and other internal security laws, on the nomination of Frank Kowalski, of Connecticut, to be a member of the Subversive Activities Control Board, for term expiring August 9, 1966.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. WILLIAMS of New Jersey:

Editorial entitled "DIRKSEN Shows Statesmanship on Test Ban," published in the Camden, N.J., Courier-Post, on September 19, 1963.

Column entitled "Banking: Stuff? Stogy?—Not Modern Banking," written by C. Malcolm Davis, published in the Newark (N.J.) Star-Ledger, on September 17, 1963.

Article entitled "General Karge Gets New Jersey Honor," published in the Newark (N.J.) Star-Ledger, on September 16, 1963.

By Mr. LONG of Missouri:

Editorial entitled "The Outdoors Will Soon Be Gone," published in the Kansas City Star of September 15, 1963.

Editorial entitled "No End to Renewal," published in the St. Louis Post-Dispatch of August 31, 1963, dealing with the urban renewal program.

Editorial entitled "The Civil Rights March," published in the Washington (Mo.) Missourian of September 5, 1963, dealing with the recent civil rights march on Washington.

By Mr. RANDOLPH:

Editorial entitled "Divided Counsel," published in the Baltimore Evening Sun of September 21, 1963, dealing with Senator MANSFIELD's recent remarks in the Senate regarding the need for a coherent and unified American policy in South Vietnam.

By Mr. MCINTYRE:

Article entitled "The President's Consumer Advisory Council," written by Dr. Helen G. Canoyer, chairman, Consumer Advisory Council, Council of Economic Advisers, and published in the Credit World for September 1963, which will appear hereafter in the Appendix.

REA INTEREST RATES

Mr. LAUSCHE. Mr. President, there is pending now on the Senate Calendar H.R. 6754, the Department of Agriculture and related agencies appropriation bill for 1964, which I assume will be called up for consideration in the very near future. I note that this bill contains a loan authorization for the Rural Electrification Administration in the sum of \$495 million. This exceeds the 1963 appropriation by \$15 million. Frankly, in view of the fact that more than 98 percent of the rural homes in this country already have electric service, I cannot see the need for this large sum. I would like to see it substantially reduced and believe that this is one place in which the President could reduce his budget. In the hearings held in the House committee on this bill and when it was considered by the Senate committee, there were brought to light numerous occasions where the Rural Electrification Administration made loans in substantial sums for purposes of questionable nature and legality. It is my opinion that if the REA would confine its activities to the program intended by the Congress, this authorization of \$495 million could be substantially reduced.

Hidden behind this \$495 million authorization is a very substantial windfall to the REA in that the Federal Government will be paying approximately 4 percent on its long-term borrowings and at the same time will be loaning this \$495 million at a rate of 2 percent, which amounts to an approximate \$10 million subsidy to the REA for this particular appropriation alone. The interest paid and to be paid by the Government on money borrowed during the same fiscal year that the money was advanced to REA borrowers, computed on the basis of the same number of years as the advances with interest at the average annual rate paid by the Government on marketable securities having a maturity of 10 years or more, exceeds the interest received and to be received by the Government from the REA borrowers during the period of their loans by \$863,613,000. Adding to this amount the

administrative cost of making and supervising the electrification loans approved from the creation of the REA in 1935 through June 30, 1962, which amounted to \$112,957,000, gives a total loan subsidy of \$976,570,000 on advances made through June 30, 1962. This loan subsidy is presently increasing at a rate of approximately \$100 million a year, and has now passed the billion-dollar mark.

Recently in an address supporting the pending tax cut bill, which is anticipated to increase our current \$7.4 billion deficit by an additional \$2.2 billion for fiscal 1964, the President pledged a tighter rein on Federal expenditures reducing the deficit estimate for the current year and promising to keep next year's deficit to a handful of billions instead of bucketfuls. I commend the President for this attitude and wish him complete success. I will support him on reduction and curtailment of unnecessary expenditures; I point out that here is an opportunity in this bill to substantially reduce Federal expenditures in a method that should have been taken long ago.

A moment ago, I stated that the loan subsidy for the REA since 1936 has passed the billion-dollar mark. I ask unanimous consent that there be inserted in the RECORD at this point a table showing the interest subsidy accruing to REA borrowers during the period of their loans.

On Monday, September 16, and Wednesday, September 18, I filed with the Senate two different motions to suspend the rules in order that I might introduce and call up amendments to H.R. 6754 dealing with interest rates for REA loans. It is my intention to request consideration of at least one of these two motions and amendments when the bill is called up for consideration.

It has been said by some and questioned by many more that an increase in the interest rate charged the REA on its borrowings from the Treasury would place the REA program in great jeopardy. I want to point out that this fear is greatly exaggerated. The increased interest payable due to increasing the rate on new loans to REA borrowers from the subsidy level of 2 percent per year to a rate equal to the cost for the money to the Government could be absorbed by most of the REA borrowers without financial hardship. The effect of the increase on individual borrowers would vary as does the effect of increases in any of the borrowers' other expenses, such as labor and materials.

The 1961 Annual Statistical Report of Rural Electrification Borrowers, REA Bulletin 1-1, the latest issue available, contains a table of composite revenues and expenses reported by REA borrowers for the calendar year 1961. This table shows that 962 borrowers paid \$52,578,598 in interest on their long-term debt. It also shows their operating revenues as \$707,477,112 and net margins as \$93,684,695 for the calendar year 1961.

From these official data, it can be computed that only 7.43 percent of the operating revenues of the REA borrowers was used to pay interest on long-term debt, and that after interest payments and all other expenses the REA borrowers had net margins, "profits," equal to

13.24 percent of their operating revenues, which is more than 1¾ times their interest payments.

It is worth noting that if the borrowers could expand their services and improve their financial positions from 1941 through 1943 when they were paying from 21.52 to 16.61 percent of the operating revenues as interest, they certainly should be able to continue to give good service and expand, and, at the same time, pay the Government an interest rate comparable to what the Government pays for its borrowings.

Even if my equalization interest rate amendment is adopted, rural electric cooperatives would still enjoy a tremendous tax subsidy. According to information from the 1961 Annual Statistical Report of Rural Electrification Borrowers, U.S. Department of Agriculture, and the 1960 Statistics of Electric Utilities in the United States—Privately Owned—issued by the Federal Power Commission, the rural electric cooperatives' tax per dollar of revenue amounted to 3.2 cents, while the tax per dollar of revenue paid by privately owned class A and B electric utilities was 22.8 cents, resulting in a tax subsidy differential in favor of the REA of 19.6 cents per dollar of revenue.

Mr. President, in conclusion, I reiterate that I think that the REA has been a great benefit to our Nation and its economy. I would like to see it continue, but since its principal mission has been fulfilled, it should now carry its own weight. It can do so and it should do so.

I have filed two notices indicating that I contemplate offering amendments to the Department of Agriculture appropriation bill. One amendment would raise the interest rate charged by the Rural Electrification Administration from 2 to 3 percent. The other amendment, if adopted, would raise the interest rate from 2 percent to a sum equal to the average rate paid by the Federal Government for borrowing money.

The argument is being made that as a prerequisite to cutting taxes, expenses should be reduced. In my opinion, this is one field in which that can be done.

I repeat my statement: I have filed two notices with the Senate, indicating that I contemplate offering amendments to change the substantive law through an appropriation bill. One amendment, if adopted, would raise the interest rate charged by the Federal Government to Rural Electrification cooperatives from 2 percent to a level equal to the average rate paid by the Federal Government for borrowing money. If I am unsuccessful in having that amendment adopted, I shall then press for a second amendment, which would raise the interest rate from 2 to 3 percent. This is one field in which we can effect a saving and thus justify a tax reduction.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD tables revealing operating revenues and interest on long-term debt as reported by REA borrowers for the calendar year 1941 through 1961, inclusive.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE A.—Interest subsidy accruing to REA borrowers during the period of their loans

Fiscal year	Advances to REA borrowers	Interest rate charged by REA	Interest rate paid by Government	Interest subsidy
	Thousands	Percent	Percent	Thousands
1936.....	\$823	3.00	2.77	86
1937.....	11,042	2.77	2.88	443
1938.....	48,176	2.88	2.73	1,100
1939.....	62,297	2.73	2.69	2,105
1940.....	98,949	2.69	2.46	2,668
1941.....	75,108	2.46	2.48	3,248
1942.....	58,221	2.48	2.57	2,827
1943.....	14,537	2.57	2.67	742
1944.....	18,478	2.67	2.25	871
1945.....	39,736	2.00	2.25	2,205
1946.....	87,253	2.00	2.375	7,312
1947.....	190,086	2.00	2.375	15,929
1948.....	246,236	2.00	2.375	20,635
1949.....	321,287	2.00	2.375	26,923
1950.....	286,659	2.00	2.375	24,021
1951.....	268,131	2.00	2.375	22,469
1952.....	227,574	2.00	2.375	19,070
1953.....	207,634	2.00	3.25	0,075
1954.....	181,529	2.00	3.25	52,522
1955.....	156,742	2.00	3.00	35,862
1956.....	154,740	2.00	3.00	35,404
1957.....	185,978	2.00	3.00	42,551
1958.....	205,332	2.00	3.50	71,838
1959.....	211,717	2.00	4.00	100,593
1960.....	222,621	2.00	4.25	120,161
1961.....	183,413	2.00	4.25	98,999
1962.....	195,807	2.00	4.00	93,034
Total.....	3,960,104	-----	-----	863,613

SOURCES AND NOTES

Advances to REA borrowers: Rural Electrification Administration.

Interest rate charged by REA—rate charged borrowers on loans, as provided for in Rural Electrification Act: Fiscal year 1936-44, computed by Rural Electrification Administration. Fiscal year 1945-62, 2-percent rate specifically provided for in Rural Electrification Act, as amended.

Interest rate paid by Government—average rate paid on marketable securities having a maturity of 10 years or more; does not include bonds issued for advance refundings: Fiscal year 1936-44, Treasury Department. Fiscal year 1945-57, Treasury Department, rounded to nearest ¼ of 1 percent. Fiscal year 1958-60 and 1962, computed from Treasury Department data and rounded to nearest ¼ of 1 percent. Fiscal year 1961, no bonds having a maturity of 10 years or more were issued during fiscal year 1961 for cash or in refunding maturing securities; accordingly, the average interest rate paid during the preceding fiscal year (1960) was used.

Detail may not add to total due to rounding.

TABLE B.—Operating revenues and interest on long-term debt as reported by REA borrowers

Calendar year	Operating revenue	Interest on long-term debt ¹	Percent of operating revenue required to pay interest
1941.....	\$35,022,071	\$7,535,165	21.52
1942.....	46,927,322	8,784,262	18.72
1943.....	55,587,614	9,232,811	16.61
1944.....	64,042,674	8,750,278	13.66
1945.....	73,102,430	7,507,266	10.27
1946.....	89,089,822	8,675,204	9.74
1947.....	114,787,798	11,053,861	9.63
1948.....	151,434,599	14,803,674	9.78
1949.....	196,717,304	20,132,708	10.23
1950.....	241,342,540	26,110,181	10.82
1951.....	285,113,614	30,828,444	10.81
1952.....	321,407,348	35,194,683	10.95
1953.....	362,977,101	38,060,539	10.49
1954.....	408,144,564	40,397,061	9.90
1955.....	449,625,847	42,339,282	9.42
1956.....	491,184,729	43,561,023	8.87
1957.....	523,783,014	45,283,356	8.65
1958.....	563,204,367	46,814,538	8.31
1959.....	617,730,445	48,702,279	7.88
1960.....	663,788,978	50,938,764	7.67
1961.....	707,477,112	52,578,598	7.43

¹ For the years 1941-51 this item was reported as "Interest expense".

Source: Annual statistical reports "Rural Electrification Borrowers," published by Rural Electrification Administration.

RESOLUTION ON DEATH OF SENATOR KEFAUVER

Mr. DODD. Mr. President, all Senators in the Senate were deeply sad-

dened by the sudden death of our esteemed colleague, Senator Estes Kefauver.

I understand that a date will soon be set aside by the majority and minority leaders on which we may pay tribute in the Senate to the memory of Senator Kefauver and I, therefore, shall not speak at length today.

A very moving tribute to Senator Kefauver was adopted earlier this month by the Fifth Constitutional Convention of the Connecticut Labor Council, AFL-CIO, and I believe one part of this resolution sums up very well the impact his life and his death has had on so many of us:

All of America and all of the organized labor movement of this country is both the richer because of his lifetime service to the United States and the poorer because of his sad and untimely death.

On behalf of my distinguished colleague from Connecticut, Senator RIBICOFF, and myself, I ask unanimous consent to have this resolution printed at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION ON ESTES KEFAUVER

Whereas death has taken from our midst Senator Estes Kefauver, of Tennessee, a man who served his country with unusual dedication, tremendous devotion, and unequalled patriotism; and

Whereas Estes Kefauver was a true humanitarian, a firm disciple of democracy, a defender of consumer interests, and a warm and abiding friend of labor; and

Whereas all of America and all of the organized labor movement of this country is both the richer because of his lifetime service to the United States and the poorer because of his sad and untimely death; Now, therefore, be it

Resolved, That this Convention of the Connecticut State Labor Council express its great admiration for the contribution which Estes Kefauver made to the commonwealth of the American people, and to the level of performance of the U.S. Senate, and its sorrow at the foreshortening of his illustrious career; and that copies of this resolution be sent to the family of Senator Kefauver, and to our two Senators from Connecticut for transmittal to the U.S. Senate.

GEN. FRANCIS S. GREENLIEF, DEPUTY CHIEF, NATIONAL GUARD BUREAU

Mr. HRUSKA. Mr. President, the recent appointment of Brig. Gen. Francis S. Greenleaf, of Hastings, Neb., as deputy chief of the National Guard Bureau is a well-merited recognition of this fine officer's service to the National Guard.

He follows another Nebraskan, Maj. Gen. Butler B. Miltonberger into the top ranks of the Guard. General Miltonberger, who is now retired and living in North Platte, Nebr., was the first chief of the National Guard Bureau after World War II.

Interestingly, General Greenleaf who began his military career as a private 23 years ago, served under General Miltonberger's command in that war and won a Silver State for gallantry at St. Lo, France.

Mr. President, I ask unanimous consent to have printed in the RECORD some

biographical notes on General Greenlie's career.

There being no objection, the biographical notes were ordered to be printed in the RECORD, as follows:

General Greenlie began his military career in Company G, 134th Infantry as a private in July, 1940, and entered active Federal Service with that company on December 23, 1940. He completed the Infantry Officer Candidate School at Fort Benning, Ga., and was appointed a second lieutenant on August 25, 1942. His first assignment as an officer was with the 2d Student Training Regiment at Fort Benning, Ga., and he was promoted to first lieutenant on July 18, 1943, while in that assignment. In February 1944, he was assigned as a platoon leader in Company L of the 134th Infantry at Camp Butner, N.C., and left with that unit for the European Theater of Operations in May 1944. On July 30, 1944, he became commanding officer of Company L and was promoted to captain on August 21, 1944. His combat service was with that unit and he participated in the Normandy, Northern France, Rhineland, and Ardennes campaigns. In July 1945, he was assigned as commanding officer, Company D, 422d Infantry. In August, 1945, he arrived back in the United States and was released from active duty at Fort Benning, Ga., on January 5, 1946.

Following World War II, General Greenlie was in business in Hastings, Nebr., for 2 years. He remained a Reserve officer unassigned, until November 3, 1947, when he rejoined the 134th Infantry Regiment, Nebraska Army National Guard. From February 1948 to February 1949 he was S-3 of the regiment. During this time from June 1948 he served as assistant adjutant general of Nebraska until appointed staff assistant for the 34th Infantry Division in 1949. On February 12, 1949, he was promoted to major and was assistant chief of staff and assistant G-4 of the 34th Infantry Division, promoted to lieutenant colonel on September 21, 1953, and to colonel on July 1, 1957. He successively filled the positions of G-4 and chief of staff of the 34th Infantry Division until he returned to active duty in the National Guard Bureau.

In addition to the Silver Star, General Greenlie was awarded the Bronze Star, the Purple Heart with three oak leaf clusters, the Combat Infantry Badge, the Croix de Guerre Avec Etoile de Vermeil, and the European-African-Middle Eastern Campaign Medal with four bronze stars.

While a student at the University of Nebraska, he was a guard on Nebraska's 1940 Rosebowl football team.

General Greenlie, who is a graduate of the Army's Command and General Staff College at Fort Leavenworth, Kans., has dedicated all his adult life to the professional career of a soldier, both in active Federal service and a full-time guard status.

General Greenlie was born in Hastings, Nebr., on July 27, 1921, the son of a World War I guardsman, now deceased. He married Miss Mavis Burt in 1941. They now have six children and reside at 5101 North 10th Street, Arlington, Va. His mother, Mrs. Florence Prewett, lives in Hastings, Nebr.

PRESIDENT KENNEDY OWES NATION CANDOR IN FEDERAL EMPLOYMENT FIGURES

Mr. HRUSKA. Mr. President, if the President of the United States has one overriding obligation it is to be candid with the American people.

President Kennedy has been considerably less than candid in his repeated assertion that Federal civilian employ-

ment has been growing at a rate slower than the national population.

He made this statement at a press conference last April 24. At the time I pointed out that since he took office the population growth had been 3.36 percent while civilian employees in the executive branch had increased by 5.65 percent.

Now, Mr. President, in last week's radio and television plea for support of the tax bill, Mr. Kennedy again said:

Those who are opposed to this bill talk about skyrocketing Federal employment when, in fact, we have steadily reduced the number of Federal employees serving every 1,000 people in the country. In fact, there are fewer Federal civilian employees today than there were 10 years ago.

The President is correct in the last statement, but he improperly takes credit for the fact that in each of the Eisenhower years, there was a reduction in the number of Federal civilian employees. In all, the Eisenhower administration reduced the number by 201,000.

Mr. Kennedy, in 2½ years, has come close to wiping out that reduction; he has added, as of July 31, the last date for which figures are available, 166,388 new jobs.

But it will not be long before the Kennedy administration will have surpassed the record set by President Truman. In his appropriations request for this fiscal year, the President is asking for a total of 2,582,320 Federal civilian employees in the executive branch. This represents 28,000 more jobs than were filled when Mr. Truman left office, and 230,000 more than when General Eisenhower left office.

President Kennedy argues that a growing population requires and justifies a growing Federal payroll. In the Eisenhower years, this country had a population increase of more than 20 million, but nonetheless, the Republican administration was able not only to hold the line, but actually to reduce the total civilian employment by more than 200,000 jobs.

Instead of talking about what has happened in the past 10 years, President Kennedy should confine himself to what has happened in his administration. The facts are not hard to determine. Each month the Joint Committee on the Reduction of Nonessential Federal Expenditures publishes a complete report, based on information supplied by Mr. Kennedy's own departments and agencies.

Taken with Census Bureau estimates, these figures show that the population growth since Mr. Kennedy came to office has been 3.9 percent while civilian employees in the executive branch have increased by more than 7 percent.

As to the President's comparison of the number of employees per 1,000 population, the actual facts are these: When he came to office, there were 1.29 employees per 1,000. Now, the figure is 1.33 per 1,000.

These figures are available to the President. In addressing the Nation, he should not blur the facts. Mr. Kennedy talks about the past 10 years instead of the period for which he is responsible.

The American people have a right to expect more of him.

ADDRESS BY SENATOR MOSS BEFORE UTAH RETIRED TEACHERS ASSOCIATION

Mr. METCALF. Mr. President, my colleague the distinguished junior Senator from Utah [Mr. Moss] since coming to the Senate has consistently supported programs recognizing the need for improvements in education. Last Tuesday in Salt Lake City he addressed the Utah Retired Teachers Association with remarks I believe should be called to the attention of all and I therefore ask unanimous consent that his speech be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

SPEECH OF SENATOR FRANK E. MOSS, OF UTAH, ANNUAL MEETING OF UTAH RETIRED TEACHERS ASSOCIATION, SALT LAKE CITY, UTAH, SEPTEMBER 17, 1963

It is with great personal pride and satisfaction that I speak to you here today—as the son of Jimmy Moss, who dedicated his life to the highest ideals of your teaching profession—and I thank you for inviting me to participate in your annual meeting.

I have only the highest praise for the retired teachers who have contributed so much to the building of fine citizens, in a role second only to that of the parent, and at so little pay.

I know most of you must struggle now to make both ends meet. I hardly think this is the way a great nation should treat its retired teachers. Among the problems facing you and all other retired citizens is the high cost of medical care which skyrockets year by year.

We must provide a program of health insurance under social security—a pay-as-you-go plan—so that our retired citizens will not be haunted by the specter of medical and hospital expenses that could exhaust their income and rob them of the dignity of self-support.

In the Senate last week we passed the Health Professions Education Assistance Act of 1963. Opponents of the health insurance legislation did not fight this bill. I feel it is inconsistent for an organization to say "We take Federal money to aid us in building our medical schools but oppose hospital care for the aged," which is one of the largest costs in retirement.

Social security is just like the hospitalization which we propose—it is financed through a national pool. At the time social security was provided by act of Congress, its opponents said grass would grow on Broadway. I was on Broadway a short time ago and if Broadway needs anything today it is a blade of grass.

From the Broadway of today let me flick back the pages of history and remind you it is most appropriate that you meet here on this 17th day of September, when we mark the 176th anniversary of the signing of the Constitution of the United States.

The delegates to the Constitutional Convention, in a period from May to September 1787, forged a system of government which has been—and is—the beacon light of freedom to the people of the world.

Here in Utah most of us are proudly Mormon, but that Constitution gave us full religious freedom here as well as throughout the Nation. We live by and we respect the Constitution of these United States because it offers us the shield of freedom.

Without that Constitution, without the Government that has developed because of

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued Sept. 26, 1963
For actions of Sept. 25, 1963
88th-1st; No. 153

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HIGHLIGHTS: Senate debated agricultural appropriation bill. Sens. Proxmire and Douglas criticized and Sen. Young (N.D.) defended reported negotiations for sale of wheat to Russia. Senate subcommittee voted to report bill to establish Water Pollution Control Administration. Sen. Humphrey commended work of Soil Conservation Service. Sen. Morse commended forest timber sales program. Senate committee voted to report bill to expand vocational education program. Rep. Findley opposed expanding agricultural trade with Russia. House passed tax reduction bill. House received conference report on Labor-HEW appropriation bill. Sen. Neuberger introduced and discussed bill to expand meat inspection and to permit cooperation with State services.

SENATE

1. **AGRICULTURAL APPROPRIATION BILL, 1964.** Began debate on this bill, H. R. 6754 (pp. 17067, 17075-109). Sens. Holland and Humphrey discussed the propriety of certain REA loans and the language in the committee report regarding the making of such loans. Sen. Humphrey stated that "unless the loan policy follows the language we have outlined, the administration can expect to have more severe limitations and language in the forthcoming year." Sen. Holland expressed hope that "the REA Administrator will confine himself, in handling section 5 loans, to fields more nearly in accord with the purpose and intent of the act." (pp. 17084-97).

Sen. Williams (Del.) charge of CCC losses. pp. 17106-9

2. WATER POLLUTION. The Special Subcommittee on Air and Water Pollution of the Public Works Committee "approved for full committee consideration with amendments S. 649, establishing within the Department of Health, Education, and Welfare a Federal Water Pollution Control Administration." p. D747
3. EDUCATION. The Labor and Public Welfare Committee voted to report (but did not actually report) with amendments H. R. 4855, to increase the authorization for grants to States for vocational education programs (pp. D746-7). Sens. Morse and Keating commended the action of the committee (pp. 17049-50).
4. FOREIGN TRADE: MARKETING. Passed as reported S. Con. Res. 19, to designate "bourbon whiskey" a distinctive product of the United States. pp. 17068-9
5. WHEAT; FOREIGN TRADE. Sens Proxmire and Douglas criticized and Sen. Young (N.D.) defended reported negotiations for the sale of U. S. wheat to Russia. Sen. Proxmire stated that if the U. S. is in a peaceful economic contest with Russia to win, "helping the Soviet economy to solve its greatest economic weakness is not the way to do it." Sen. Douglas stated that it was discouraging "to find that the very groups which have been most vehement verbally against communism, are now insisting that we trade with Russia for their profit," and urged that "the administration seek congressional approval for such action instead of jamming it through by administrative action." Sen. Young (N.D.) stated that "We are accomplishing no purpose whatever, as I see it, by refusing to sell to Russia and her satellites when all of our allies provide them with all the food and industrial equipment they need." pp. 17045-6
6. FORESTRY. Sen. Morse commended the timber sales program of the forest Service and inserted a letter from Secretary Freeman to the National Lumber Manufacturers Assoc. reviewing recent progress made in timber sales and other programs of the Forest Service. pp. 17063-5
7. SOIL CONSERVATION. Sen. Humphrey commended the work of the Soil Conservation Service, reviewed how the service "has developed into the finest agency of its kind in the world," and inserted a summary of the responsibilities of SCS. pp. 17058-60
8. RESEARCH. Sen. Mundt urged additional appropriations for this Department to expand utilization research to discover new uses for agricultural products, reviewed recent progress in such research activities, and inserted tables comparing expenditures for utilization research and production research. pp. 17109-113
9. SURPLUS COMMODITIES; FOREIGN TRADE. The "Daily Digest" states that the Agriculture and Forestry and Foreign Relations Committees met informally in executive session to discuss the matter of the sale of surplus agricultural commodities abroad and that it "was announced that these committees will meet to discuss this matter further on Tuesday, October 1, at which time Secretary of Agriculture Freeman, Secretary of Commerce Hodges, and Under Secretary of State Ball will be present." p. D745
10. FOREIGN AID. Sen. Miller commended the work of a private organization in Iowa, Self Help, Inc., in donating farm machinery to under-developed nations to assist in increasing agricultural production and inserted an editorial, "Foreign Aid Overdue for Overhaul." pp. 17047-8
Sen. Lausche criticized continued foreign aid to Yugoslavia. p. 17052

States in 1963. This does not include Canadians or Mexicans, who are treated separately because border-crosser statistics tend to unbalance the totals. Expenditures in the United States by these 750,000 visitors, plus their fare payments to U.S. carriers, approaches the half-billion dollar mark. That's big business. True, it isn't big enough, because in the same period U.S. citizens traveling abroad will be spending about \$1½ billion more. But the encouraging thing is that travel to the United States, up a dramatic 49.2 percent in just 2 years, shows a far greater percentage rise than U.S. travel abroad and for that matter it is a much greater percentage rise than international travel has shown to other destinations. USTS does not take singlehanded credit for such dramatic increases—rather, it points with pride to the fact that "Visit U.S.A.," and its accomplishments are the result of close cooperation among Government, States, cities and industry.

Most important of all, we have just begun to scratch the surface of our potential. Millions of people in dozens of countries are now enjoying the fruits of postwar economic recovery. They have a home and they have a car—now they want to see the world. In the nine major countries representing our greatest travel potential, more than 80 percent of those asked in a scientifically conducted poll said if time and distance were no problem, they would like most to see the United States. Thus we can become a reality for millions of new visitors. For a real switch, we can be the picturesque natives for people to photograph.

Alaska—with the magic that its very name imparts to people around the world—can be the gateway for untold numbers of these new visitors. Around the world we are finding so many thousands who want to see a live Indian or a live Eskimo that these alone could give Alaska travel a major blood transfusion. Add to these the thousands who would revel in Mount McKinley, Katmai, and Glacier Bay. Throw in the thrill of your incredible waterways, paralleled by the Marine Highway which already has exceeded the fourth year projection of its travel volume. Tell of your great open spaces, the scenic wonders, your colossal bears and fighting salmon, and you impel the attention of millions who are wedged into cities and suburbs of the four corners of the earth.

Let's use the best U.S. sales imagination to do the job. Your Alaska exhibit at the Seattle World's Fair was excellent, especially its rendition of the Northern Lights. The estimated 80 million visitors to the New York World's Fair should all thrill to the even better Alaska story there. Let's take pages from the books of such other countries as Britain, Ireland, and Holland on how to attract Alaska stopoffs by people traveling in transit. Within your budget, and ours, we can cooperatively project the Alaska story around the world, backed up with the hard facts about getting here, costs and accommodations, and flavored with the excitement and romance of polar nights and arctic love. Let's give "Visit U.S.A." and "Visit Alaska" our very best. They deserve it—and we cannot fail. Because we are selling the world's greatest product—the United States of America.

[From the Anchorage (Alaska) Daily Times, Sept. 20, 1963]

TRAVEL DIRECTOR PLEDGES AID FOR GATEWAY PLAN

Voit Gilmore, Director of the U.S. Travel Service, pledged the Greater Anchorage Chamber of Commerce board of directors today his office will do everything possible to channel foreign travelers to the United States through "the Alaska gateway."

Anchorage is in an extremely favorable position to benefit from the world tourism

boom that is now underway and will be enhanced when the Japanese Government lifts its ban on Japanese travel abroad, he said.

"You have a tremendous opportunity here—the jet age and you are hand in hand," Gilmore said.

He told the chamber board and guests he favors the idea of an international reception center at Anchorage International Airport—which would tell foreign visitors at their first stop in the United States what there is to see in the Nation, give them some indication of what America is like.

"You need a great, big flag flying at Anchorage," he said.

Gilmore also suggested that Anchorage and Alaska might benefit from establishment of a free port here—where cigarettes, liquor, and Alaska products would be available to foreign visitors duty free.

"The free port idea, I would hope, would be on your priority list," he said.

He offered the chamber board some startling statistics concerning the flow of foreign visitors through Anchorage. In 1962, he said, 66,359 travelers entered the United States through Anchorage. This represented a 28-percent jump over 1961.

Gilmore said his office—created 2 years ago at the suggestion of bankers, travel firms and airlines—has as an objective the promotion of foreign travel to the United States.

Americans do more traveling abroad than persons of other countries and this has gone far to create a deficit in the U.S. balance of payments, he said.

There have been recommendations that American travel abroad be curtailed or that a limit be placed on the amount of money they can spend abroad to change this picture, he said.

He said foreign tourist promotion must be promoted to offset American spending abroad—"to turn the tourist-dollar around."

Tourism is the world's biggest industry, a \$7.5 billion-a-year industry, he said. "Alaska has an enormous stake in this thing."

ORDER OF BUSINESS

Mr. SMATHERS. Mr. President, in view of the statement made previously by the able Senator from Georgia [Mr. RUSSELL] that prior to consideration of the Department of Agriculture appropriation bill he wanted a live quorum, I now suggest the absence of a quorum, and I ask that the attachés give notice to all Senators that it will be a live quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

[No. 173 Leg.]

Aiken	Ervin	McGovern
Allott	Fong	McIntyre
Anderson	Fulbright	McNamara
Bartlett	Goldwater	Mechem
Bayh	Gore	Miller
Beall	Gruening	Monroney
Bennett	Hart	Morse
Bible	Hartke	Morton
Boggs	Hayden	Moss
Brewster	Hickenlooper	Mundt
Byrd, Va.	Hill	Muskie
Byrd, W. Va.	Holland	Neuberger
Cannon	Humphrey	Pastore
Carlson	Inouye	Pearson
Case	Javits	Pell
Church	Johnston	Prouty
Clark	Jordan, Idaho	Proxmire
Cooper	Jordan, N.C.	Randolph
Cotton	Keating	Ribicoff
Curtis	Kennedy	Robertson
Dirksen	Lausche	Russell
Dominick	Long, Mo.	Saltonstall
Douglas	Long, La.	Simpson
Eastland	Magnuson	Smathers
Edmondson	Mansfield	Smith
Ellender	McClellan	Sparkman

Stennis
Symington
Talmadge
Thurmond

Tower
Walters
Williams, Del.
Williams, N.J.

Yarborough
Young, N. Dak.

Mr. SMATHERS. I announce that the Senator from North Dakota [Mr. BURDICK], the Senator from Connecticut [Mr. DODD], the Senator from Washington [Mr. JACKSON], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Wyoming [Mr. MCGEE], the Senator from Montana [Mr. METCALF], the Senator from Wisconsin [Mr. NELSON], and the Senator from Ohio [Mr. YOUNG] are absent on official business.

I also announce that the Senator from California [Mr. ENGLE] is absent because of illness.

Mr. DIEKSEN. I announce that the Senator from Nebraska [Mr. HRUSKA] and the Senator from Pennsylvania [Mr. SCOTT] are absent on official business.

The Senator from California [Mr. KUCHEL] is necessarily absent.

The PRESIDING OFFICER. A quorum is present.

DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATIONS, 1964.

Mr. SMATHERS. Mr. President, I ask unanimous consent that the Chair lay before the Senate the unfinished business.

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H.R. 6754) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, and for other purposes.

Mr. SMATHERS. Mr. President, I ask that my colleague, the distinguished senior Senator from Florida [Mr. HOLLAND], be recognized in his own right, to present the bill.

The PRESIDING OFFICER. The Chair recognizes the senior Senator from Florida.

Mr. HOLLAND. Mr. President, I am glad to discuss, rather briefly, considering the immense number of details in the bill, the provisions of H.R. 6754, the annual supply bill for the Department of Agriculture and related agencies. I shall make a statement concerning some of the programs financed in the bill.

Most people are aware of the importance of the activities of this Department to American agriculture and to the American farmers. Without minimizing this aspect of the Department's activities, it is important to emphasize that the programs of the Department of Agriculture also make significant and substantial contributions to all segments of our domestic economy—to consumers, to industry, to trade, and to the welfare of the general public. In addition to the domestic aspects of the Department's program, the Department also plays an important role in the foreign policies of this great Nation.

American agriculture has been and continues to be an outstanding success in terms of efficient production and in its contribution to the continuing growth

of our economy. Our people eat well, and that diet takes a smaller share of the consumer's income than anywhere else in the world. But that efficiency makes it difficult to maintain and improve incomes for farm families so that they may participate with the rest of the Nation in rising standards of living that are associated with the American way of life. The proper use of our resources of food and fiber will continue to be a key factor in the economic future of our country.

It is not going too far to say that the immense productive capacity of our Nation is our "ace in the hole" in our dealings with the rest of the world, and that the productiveness of American agriculture is a marvel to most of the rest of the world. The people of other nations do not understand how a nation having a population approaching 190 million can continue to produce food and fiber for the use of its people and still have large supplies to pass on to other nations of the world, particularly to friendly nations. In particular, they do not understand how it is that we have been required to reduce our agricultural production by so many million acres in recent years, and still continue to have more than we need for our own consumption. America's agricultural productive capacity is one of the great marvels of the world at this time.

To meet the problems which still confront agriculture and the Nation and to prepare to deal with new problems that constantly arise in the complex world in which we live, adequate financing must be provided to carry out activities of the Department of Agriculture.

In recent years, the magnitude of the agricultural appropriation bill has increased greatly. In large part, this is due to the cost of the farm program, and to the foreign assistance programs, for which reimbursement appropriations are made each year.

In total, the bill before the Senate recommends appropriations of \$6,046,738,340. This is a net increase of \$67,281,340 over the bill as it came from the other body; and the bill as reported is \$39,138,430 over the appropriations for 1963 and \$322,016,660 under the estimates considered for fiscal year 1964.

REIMBURSEMENT APPROPRIATIONS

The large amounts carried in the bill under titles III and IV are to reimburse the Commodity Credit Corporation for program costs and realized losses. For realized losses incurred for price support and related farm program costs in fiscal 1962, \$2,699,400,000 is provided. This is \$100 million under the estimate and \$199,400,000 over the House. These program costs have already been incurred and this appropriation is needed to restore the capital structure of the Commodity Credit Corporation.

Under title IV of the bill are financed the foreign aid and assistance program activities. The total amount carried in the bill for these purposes is \$1,721,667,000. The legislative authorization for each of these programs provides that the cost of operations be financed from the Commodity Credit Corporation borrowing authorization, and that appropria-

tions be made to reimburse the Corporation for all costs incurred. For the past 3 years Congress has been providing advance appropriations for the foreign assistance programs, and that is what is proposed in the pending measure.

The specific amounts recommended to the Senate for title IV—foreign assistance programs—are as follows:

Title I of Public Law 480—Sales for foreign currencies, \$1,252 million.

Title II of Public Law 480—Emergency famine relief, \$215,451,000.

Title IV of Public Law 480—Long-term supply contracts, \$79 million:

Expenses of the International Wheat Agreement, \$92,356,000.

Expenses for bartered materials for the supplemental stockpile, \$82,860,000.

The committee has reduced the amount under the budget estimate for advance reimbursement appropriations for title I of Public Law 480 by \$200 million and has provided the amounts in budget estimates for the other items, making a total reduction of \$167,377,000 under the House bill for these items.

The reason for our reduction is that we have noted from prior years' operations that there is always a considerable carryover. This year there is a considerable carryover, and we feel that the amount which we are providing for title I activity—that is, for sales for foreign currencies—will prove to be adequate. If that does not prove to be the case, a supplemental bill will be introduced shortly after the first of the year.

REGULAR DEPARTMENTAL ACTIVITIES

The funds required for regular activities and credit agency programs of the Department are carried in titles I and II of the bill. The committee recommends a total appropriation of \$1,618,461,340 for these several items of appropriations. This is an increase of \$34,998,340 over the bill as it came from the other body, but is \$22,016,660 under the budget estimates.

The committee has included a number of increases over 1963 for increased activities of the Department on a fiscal year basis—and in the committee report directs the Department to withhold from use in 1964 that portion of such increased activities applicable to the period July 1, 1963, to the date of enactment of the 1964 Appropriation Act.

To describe that situation further, the Senate is aware that almost all of the agencies of the Government have been proceeding under the resolutions which have taken the place of the regular appropriation bills. The agricultural appropriation bill provides a number of increases on the basis of a full fiscal year. The committee has directed the Department to withhold from use in this fiscal year that portion of such increased activities applicable from July 1 to the date of enactment of this bill.

Mr. JORDAN of North Carolina. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. JORDAN of North Carolina. If 3 or 4 months of appropriations are taken care of by the resolutions, the amounts will be proportionately deducted or

changed for the respective programs or agencies.

Mr. HOLLAND. This provision will apply only to appropriations for increased activities and does not apply to amounts in continuing resolutions already available for 1963.

Mr. JORDAN of North Carolina. I appreciate that statement. That was my understanding. I want to make it clear.

Mr. HOLLAND. The Senator from North Carolina is completely clear. I am glad he makes the point additionally clear.

The committee felt that the long lapse of time between the beginning of the present fiscal year and the beginning of some of the new programs or the expansion of old programs was so great that unless that lapse of time were taken into account, we could very properly be charged with both oversight and extravagance in some cases.

Mr. JORDAN of North Carolina. In addition, there would be a saving of millions of dollars in the appropriations that would not be needed and would not have to be used.

Mr. HOLLAND. The Senator is correct. At any rate, Congress will do its part in dealing with a troublesome matter of this kind if it includes a provision of the type I have indicated. I thank the Senator from North Carolina.

The subject of pay costs involves one of the principal points of difference between our version of the bill and the House version. So I hope Senators will consider it carefully.

I note that the senior Senator from North Dakota [Mr. YOUNG] is in the Chamber; and I wish to say that in connection with all of these technical matters there has been the fullest discussion between the minority and the majority; and as between the two sides of the aisle, I believe there is no difference at all in point of view or in approach in connection with this matter.

In fact, as I recall the motion was made by the distinguished senior Senator from South Dakota [Mr. MUNDT], and was unanimously agreed to by the committee.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. HOLLAND. I am glad to yield to the distinguished Senator from North Dakota.

Mr. YOUNG of North Dakota. Mr. President, I believe that no other bill involves less partisan politics than this one. We have studied it carefully; and every possible avenue of savings has been carefully considered. I believe the committee has, on the whole, done a good job.

Mr. HOLLAND. I thank the Senator for that comment. I agree completely with him. I wish to state, for the RECORD, that the distinguished Senator from North Dakota was present throughout the hearings; he attended them religiously, as did the chairman of the subcommittee; and I am extremely indebted to the Senator for his faithful attendance and for his careful consideration of all these problems. I agree with his statement that neither in the subcom-

mittee nor in the full committee was there the slightest partisan difference of opinion in connection with consideration of the bill.

PAY COSTS

Mr. President, the House committee report proposed the absorption from zero to 40 percent in mandatory pay costs in the various appropriation items throughout the bill. These increases for pay costs are a result of the pay legislation enacted a year ago which provided for two increments of increase. The first increment was effective October 1, 1962, and the second increment is effective January 1, 1964. So the Senate committee, in acting upon this matter, has in large measure restored the proposed amounts required for the second increment of the pay costs.

In other instances, program increases described in the House committee report were, in part, negated by the proposed reductions necessary to absorb the mandatory pay costs. The Department had absorbed 41 percent of the increased pay costs in the fiscal year 1963. Again, I call attention to the fact that it was not necessary to absorb a full year's pay cost last year, because the pay bill first became effective in October. For fiscal year 1964, the increased pay costs are estimated at \$41,912,189. The Department absorbed an estimated \$8,249,194, and requested appropriations for pay costs totaling \$33,662,995, of which \$26,651,160 was provided in the House version of the bill. The committee has voted to restore House reductions totaling \$7 million, in several appropriation items throughout the bill.

Mr. President, we felt that this was in complete fairness to the agencies; and that since we had voted these pay costs, and since, by our action this additional increment was to fall on the agencies this year, therefore, to completely overlook that fact and to require as great an absorption of that increase as the version of the bill which came to us from the other body required, would be unrealistic and unfair to many of the programs which these agencies are required to administer.

PAYMENTS FOR EXTENSION AND COOPERATIVE STATE EXPERIMENT STATIONS

The bill carries an appropriation of \$70 million for payments to States and to Puerto Rico for extension work. This amount represents an increase of \$6,410,000 over the 1963 appropriation. The committee has voted to provide this increase, so as to make available through the calendar year 1964 the Federal share of the cost of the pay increases under the general pay legislation enacted by the last Congress—for which one increment of increase was effective last October, and the second increment will be effective next January.

In other words, in considering this joint program of extension work—partly paid for by the Federal Government and partly paid for by the States and the counties—the committee felt that the Federal part of the increases required in order to cover the pay costs that would accrue within this period should certainly be provided in this bill; and that is what we have proposed.

Mr. JORDAN of North Carolina. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I am glad to yield.

Mr. JORDAN of North Carolina. That point was discussed a great deal by all of the agencies of all of the States that have any agricultural programs at all. They could not possibly have met the situation unless this provision had been made, because—as the Senator from Florida pointed out a short time ago—Congress put the pay increases into effect, and there was nothing they could do about it. So I do not see how we could afford not to provide the money that is required by the action we took. That is exactly what your committee has done. Is that not correct?

Mr. HOLLAND. That is correct. We voted to provide the Federal part of the pay costs in connection with the important Extension Services—that is to say, for the county agents, the home demonstration workers and, of course, the workers on the higher levels in each State. We believe it is only fair and just that we do provide that part of the State costs under a pay increase program which we had voted.

Mr. JORDAN of North Carolina. I thank the Senator from Florida for his comment.

Mr. HOLLAND. I thank the Senator from North Carolina.

Mr. President, for the payments to States for cooperative research under the Federal grant program, the bill carries \$42,883,000. This is an increase of \$3,500,000 over the 1963 appropriation of funds distributed under the regular formula; and, in addition, \$1 million is provided to initiate a program of grants for cooperative forestry research, as authorized by Public Law 87-788, approved October 10, 1962. This amount is the same as that requested in the estimate and voted by the House.

As in the case of Extension Service workers, the increase over the 1963 appropriation is recommended for the purpose of providing the Federal share under the pay legislation for cooperative State experiment station workers for the full calendar year 1964.

Mr. President, it is quite clear why the same philosophy that the distinguished Senator from North Carolina [Mr. JORDAN] has just now said is applicable to workers in the extension service also applies to workers in the joint Federal-State experimental station, because they are employed under the joint auspices, and are paid in part with funds coming from the Federal Government, and in part by funds appropriated by the States. So we have voted to include an amount adequate to cover the Federal share of that pay increase, which was voted for cooperative State experimental station work.

AGRICULTURAL RESEARCH SERVICE

The Agricultural Research Service is responsible for the coordination of research within the Department of Agriculture, and administers the largest research program of the Department. It conducts a wide range of research dealing with production, nutrition, consumer use research, utilization research and develop-

ment, and is responsible for the administration of overseas research financed under sections 104(a) and 104(k) of Public Law 480. It also conducts a wide variety of cooperative regulatory programs dealing with plant and animal disease and pest control, and administers the meat inspection program.

The total appropriations recommended for these activities is \$189,259,450, a net increase of \$10,399,700 over the 1963 appropriations and a net increase over the House of \$7,671,450.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. HOLLAND. I am glad to yield to the Senator from Nebraska.

Mr. CURTIS. I commend the Senator for his diligence in handling the bill this year as in past years and his wide interest in the subject of agriculture and in agricultural research.

Mr. HOLLAND. I thank the Senator.

Mr. CURTIS. I wish to call to the attention of the Senator the remarks of my colleague [Mr. HRUSKA] as shown on page 883 of the Senate committee hearings, and also the language contained in the House committee report. I wish to ask the following question: Does the Senator understand that the bill would appropriate funds for the continued operation of the Scottsbluff, Nebr., experiment station at the current level through the present fiscal year?

Mr. HOLLAND. The bill very definitely does cover such funds. The Senator will find that item covered specifically in the report of the House committee; and the amount is retained by the Senate committee.

Mr. CURTIS. It is the intention of the Senator to ask this body to concur in what the House provided?

Mr. HOLLAND. It is the intention of our committee to recommend concurrence. I know of no move whatever to refuse concurrence. The program is a very fine one, and one which our committee wishes to continue. We wish to uphold the arm of the House in providing funds for its continuance.

Mr. CURTIS. I thank the Senator very much.

Mr. HOLLAND. I thank the Senator for his comment.

For research programs conducted by the Agricultural Research Service the committee provides \$91,811,700 by direct appropriation. This is an increase of \$1,257,700 over the estimate and \$2,633,330 under the amount proposed in the House bill.

The House bill consolidated the marketing research budget estimates and appropriations totaling \$6,550,000 under the Agricultural Research Service.

The consolidation proposed in the House bill included the regular marketing research program, for which \$4,950,000 was appropriated in 1963 under "marketing research and service," Agricultural Marketing Service, and \$1,600,000 carried in the budget estimate, 1964, under the head "construction of facilities." The House committee had approved \$400,000 of \$1,600,000 proposed for a national peanut marketing facility and allocated the remaining \$1,200,000 to various production and related re-

search activities. The Department appealed the proposed action by the House, and the committee has restored these amounts totaling \$6,550,000 to the Agricultural Marketing Service.

In other words, the committee does not agree with the change in organization and administration proposed by the House committee, but the committee upheld the appeal of the Department and restored the funds to the Agricultural Marketing Service which had been transferred by House action, or by the provisions of the House bill to the Agricultural Research Service.

The committee has also approved as a part of the appropriation to the Agricultural Marketing Service, "marketing research and service," the full budget estimate of \$1,600,000 to construct the Peanut Marketing Research Laboratory. In order to allay the fears of those who have in the past opposed the appropriation for this laboratory, the committee inserted a provision in the bill and in the committee report which provides—and the quoted words appear both in the bill and in the report—

That research investigations undertaken at the National Peanut Quality Evaluation Laboratory must be truly national in scope and must give equivalent treatment to the different types of peanuts produced and marketed in the major peanut-producing areas.

We believe that provision makes very clear that the new peanut laboratory will be a national institution, and must take into consideration national needs. It must give equal consideration, and treatment to those segments of the peanut-producing industry which are found in various States, which in many instances produce different types of peanuts, and which have different conditions with which to deal.

RESEARCH COORDINATION

The committee shares the view of the House committee that research should be well coordinated—not only among agencies within the Department, but also between the Department and the State agricultural experiment stations. The committee report, beginning on page 4, deals in general terms with the future needs of the agricultural research program, including the need to define research activities uniformly and to establish and maintain a standard system of research classification for programs conducted by Federal and State agencies.

I am sure that Senators are familiar with the fact that there have been charges—sometimes substantiated—in whole or in part—that there has been unnecessary duplication, and therefore unnecessary loss of time and expense, in connection with certain research projects. The committee feels that that should not be allowed to continue. We would hope to find that the Department itself had already initiated the effort to deal with that problem. We wish to call attention to that fact without any question whatever, and to show our approval of that procedure.

Mr. President, in view of the general interest evidenced by members in agricultural research, I request that the committee report on pages 4, 5, and the

first paragraph on page 6 be printed in the RECORD at this point.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

THE AGRICULTURAL RESEARCH PROGRAM

The program of agricultural research has developed over the past 100 years. It is a partnership arrangement of Federal, State, and industry research covering a wide range of research programs, including production, nutrition, new and improved uses for agricultural commodities, economic research, entomology, soil and water conservation, and related research investigations. The success of this long-term joint research effort has made our agricultural technology preeminent in the world today. Under this nationally oriented and centrally directed and coordinated research program, the Department works in close harmony with the States to meet present and future research needs essential to the maintenance of a healthy and vigorous agricultural industry. Within this bill are carried the appropriations for the various research program activities of the Department and for the payments to State agricultural experiment stations.

Within the Department, there is assigned to the Administrator of the Agricultural Research Service the responsibility for coordinating the research programs of the Department. The Research Administrator utilizes a research council, comprised of key research agency officials, to assist him in discharging his assigned responsibilities for research coordination. Research project proposals are submitted by the appropriate agency for approval of the research coordinator. Since it was established in 1948, the central project office has served as the coordination center for project clearance and control for the various research agencies within the Department. This system of coordination appears to function adequately, but there is a continuing need for improvement, in clarifying the research objectives among research agencies and for improving the coordination and correlation of research program activities within the Department.

The national agricultural research program needs to be strengthened to meet the future needs of agriculture and of our growing population. Better means must be found for controlling diseases and coping with insect pests. Deficiencies in our knowledge of human nutrition have become apparent and are in need of accelerated research investigation. Much greater emphasis needs to be put upon developing new uses for commodities and for the development of substitute crops. Many soil and water research problems remain unsolved. More emphasis needs to be placed upon the marketing, storage, and handling of agricultural commodities as they move from the producer into consumer hands. Accelerated research in these and other areas will produce the answers which are needed to improve the efficiency of agricultural production, and to develop new uses for surplus crops, as well as to provide new processing methods and product development opportunities for all agricultural commodities.

Specifically, the committee believes that every effort should be made by the Agricultural Research Service, in collaboration with the land-grant colleges, to strengthen the systematic and continuous review of the research programs, including project reviews, to make certain that worthwhile projects are undertaken and that current project investigations are phased out upon completion or discontinued when they show no useful results. It is evident that there is further need to refine the classification of research programs as between Federal and State programs in order that there be a similar classification of the subject-matter fields of research between Federal and State programs

for more accurate reporting of the scope of research by types and the expenditures by major classifications. A better and more consistent classification of research activity should also result in more efficient use of personnel and research facilities, and in the orderly redirection of research activity.

The Federal effort is devoted primarily to research problems of national and regional nature, with the State programs concentrating upon intrastate, and some regional projects. The Federal Department's research activity embodies 273 different locations and the States have a total of 421 locations. At many of these locations, both Federal and State employees are working together in joint endeavor. Many of the Federal, and undoubtedly some of the State, facilities are inadequate or outmoded to serve present and future research requirements. The committee believes that the modernization and expansion of research facilities are of importance and should proceed in an orderly and systematic fashion. Most research programs are of long-term duration, and it is usually more efficient and less costly to provide adequate central facilities where a concerted program can be undertaken than to dispense funds to a number of locations with resultant inefficiency and lack of proper coordination. In recent years, the Congress has provided the funds for new or modernized research facilities to intensify research in entomology, soil and water conservation, livestock, poultry diseases, and for other purposes. Additional facilities are urgently needed to strengthen these and other programs to carry forward the long-term agricultural research program activities.

The committee believes that a modest expansion of research contracts and grants should be undertaken as a supplement to the existing research programs carried out by the Department and by the State experiment stations. Contracts and grants should be limited to specific needs of a short-term nature where such contracts can be undertaken by qualified organizations or agencies without setting into motion a further competition for the limited supply of qualified scientists, such as has already occurred in other Government research program activities.

The committee requests each research agency of the Department to provide it with a résumé on research contracts or grants entered into beginning with fiscal year 1964. This summary shall set forth the following: Name and location of contractor or grantee; term and cost of contract or grant; demonstrated research capability of contractor or grantee; extent of present research staff and salaries paid; expenditures for and source of any additional research specialists required to conduct the contract or grant, including the annual salaries proposed for such personnel; the requirements in the contract for progress reporting by the contractor and provision made for a final report on research results; the estimated cost to the agency and to the contractor for administrative and technical support costs; requirements in the contract for disposition of facilities or equipment purchased by the contractor in order to perform the contract; together with related pertinent information.

The committee is concerned about the portion of research funds used for administrative and program support costs. These costs should be held to the minimum consistent with efficient research management. The committee requests the Secretary of Agriculture to obtain information on the administrative and program support costs in the Department of Agriculture and in the land-grant colleges and universities and the State agricultural experiment stations. He is requested to report on his findings on such costs, including research conducted by contracts and grants, to the committee by next January 31. The Secretary is also requested

to report upon the impact that pending legislative authorizations for accelerated soil and water research may have upon the existing research programs of the Department and the State agricultural experiment stations.

Mr. HOLLAND. Mr. President, the committee is advised by the Department that responsibility for research coordination within the Department of Agriculture has already been assigned to the Administrator of the Agricultural Research Service. As stated in our committee report on pages 6 and 7—

Under departmental administrative regulations (ch. 2, sec. 3, subsec. 115), the Administrator of the Agricultural Research Service is currently assigned the function of research coordination for all research agencies within the Department. This coordination responsibility includes the examination and analysis of proposed, and ongoing research, the review and approval of projects or proposals prior to their initiation, together with providing advice and in consulting with heads of Department research agencies on program planning. He also has the responsibility to report upon research and to make recommendations to the Secretary on departmental research programs.

The committee believes that greater emphasis should be given to the coordination of specific commodity research programs. For example, all research dealing with the effect of machines upon cotton fiber should be better coordinated and the results of independent research investigations by project workers at different locations should be better correlated. The Department has advised the committee that it has undertaken a review of closely allied research activities and will report on its findings and make its recommendations to the respective Committees on Appropriations.

Our committee had come to the conclusion that this step was necessary, but we were happy to learn that the Department had already undertaken a review of the need for closer correlation and coordination of its research investigations within and among the respective research programs. Our recommendation goes further, and would require not only improved coordination of programs within the Department itself, but also includes activities carried on in cooperation with the Federal-State experiment stations, so that any duplication and undue expense could be avoided.

The committee has included in the bill increases for several research projects totaling \$2,456,200 as listed on pages 7 and 8 of the committee report. It has provided \$1,445,000 as proposed in the budget request for the staffing of new research laboratories—an increase of \$245,000 over the House bill—and recommends \$177,500 for accelerating watershed hydrology research, as proposed in the budget request, but denied by the House.

UTILIZATION RESEARCH AND DEVELOPMENT

As the bill came from the House there was a provision included to transfer up to \$5 million of Commodity Credit Corporation funds to conduct research on the cost of production of surplus crops—primarily cotton, and other surplus commodities.

Mr. President, this is one of the very distinctive changes in the bill we recommend, from the approach taken by the House: In lieu of the House proposal the

committee recommends that not to exceed \$35 million be made available from Commodity Credit Corporation funds primarily for the expansion of utilization research and development, for which a detailed program was transmitted to the Congress by the Secretary of Agriculture pursuant to Senate Resolution 415 of the 87th Congress, 2d session. This report has been printed as Senate Document No. 34, and the body of the report outlines and highlights the research program contemplated under the action taken by the committee.

I could not fail at this stage to give credit to the Senator from Georgia [Mr. RUSSELL], the Senator from North Dakota [Mr. YOUNG], and the Senator from South Dakota [Mr. MUNDT] for their great interest in this subject. This item was placed in the bill last year by the committee. The Senate will recall the difficulties which confronted it in conference. This year we have had the benefit of the able and detailed report transmitted by the Secretary of Agriculture pursuant to our resolution of the 87th Congress. That report has been printed in the past few days on motion made by the Senator from Georgia [Mr. RUSSELL] and approved by the Senate, as Senate Document No. 34.

The Senate committee amendment also provides for acceleration of research to reduce the cost of production on cotton and other surplus commodities, as contemplated by the Department under the House provision.

For the information of the Senate, I request, Mr. President, that the statement from the Senate committee report on pages 9 to 11—under the heading “utilization research and development”—be included in the RECORD at this point.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

UTILIZATION RESEARCH AND DEVELOPMENT

The committee has included a provision in the bill to authorize the use of Commodity Credit Corporation funds to institute an expanded research program of utilization research and development. The action by the committee is designed to carry out the strengthening of utilization research as outlined in the report to the Congress on utilization research and development in response to Senate Resolution 415, 87th Congress, 2d session, and also to carry out intensive research to decrease the cost of production of surplus crops.

The productive capacity of American agriculture has placed us agriculturally at the forefront of the nations of the world. But our successes in agricultural production are offset in substantial measure by our inability to use profitably a sizable fraction of what we produce, requiring much of our agricultural production to be channeled into Government storage or disposal abroad at a cost to the Nation of billions of dollars each year. It is increasingly evident that we need most urgently, practical means for expanding our capacity to utilize farm commodities. It is also evident that to accomplish this we need to intensify our research to find and develop new and expanded uses and markets for these surplus commodities.

For more than 20 years, the Agricultural Research Service has been conducting a program of utilization research and development to find new food, feed, and industrial uses for surplus farm products. Utilization research contributes to alleviation of sur-

pluses, to increasing farm income, to the establishment of rural industries, and to the variety and utility of products available to the consumer. It devises new, less costly, more attractive, and more nutritious foods; it seeks significant new industrial uses; it shields the farmers' existing outlets in industry against invasion by synthetics; it is directed to expansion of all farm markets, foreign and domestic. Utilization research is contributing to the solution of three other major problems confronting American agriculture today: the problem of underconsumption; the problem of conservation and resource use; the problem of opportunities for farm and rural people.

This research, though limited, has been very successful in providing additional markets for commodities that otherwise would have further contributed to the expensive Government storage and disposal programs. In fact, according to statements by departmental officials, the benefits to the Nation's economy in recent years have amounted to \$25 for each dollar spent on utilization research.

Utilization research has made lasting impressions on our economy and the way we live. For example, improved processing technology made soybeans a major source of oil for food and industrial uses and of protein for expanding the Nation's livestock and poultry industries. Wash-and-wear cottons halted the inroads by synthetic fibers on cotton markets. Tallow and greases that lost their traditional markets in soap were made into plastics and feeds. Frozen orange juice concentrate and instant potatoes revolutionized the processing and distribution of these foods. There have also been many less tangible benefits from utilization research, such as the large-scale commercialization of penicillin; the development of dextran as a blood plasma extender; and the development of a process—if we ever need it—of removing radioactive strontium 90 from milk.

The committee believes that the present level of utilization research is inadequate to provide, as promptly as needed, the means for the practical alleviation of our surplus problems. It also believes that the achievements of utilization research in the past forecast the promise that intensification of this research holds for the future. It was for these reasons that the Senate asked the Department of Agriculture last year, in Senate Resolution 415, “to submit to the Director of the Budget and to the Congress * * * the most effective program available for research to discover new uses for agricultural commodities; and * * * to limit this program to items costing not in excess of \$35 million per annum above current allowances for 1963 for utilization research to discover new uses for agricultural commodities.” This report has been received. It proposes to expand utilization research in various ways. Utilization research would be increased at once across a broad front. Since there is very limited room for expansion in the Department's present facilities, approximately half of the new funds in the first 2 years would be used to collaborate with universities and other public and private institutions through contracts, grants, and cooperative arrangements. This would both intensify the research effort and broaden the base of participation in this vitally important field of agricultural research.

Nearly half of the increase in the first 2 years would be used to construct and enlarge urgently needed facilities. As the proposed construction is completed, research in the Department's facilities would be increased from approximately \$21 to \$44 million a year. Work outside the Department would be increased from about \$3 to \$15 million a year. The first year's increase would be devoted to nearly 200 different projects. Special emphasis would be placed on cereals, cotton,

and animal products. Substantial increases would be allotted to work on wool, oilseeds, fruits and vegetables, tobacco, sugar, naval stores, and new replacement crops. In subsequent years, additional opportunities for developing expanded markets for these and other commodities would be exploited.

The committee believes that the Department's proposal for increasing its utilization research effort is realistic and reasonable. It believes that the detailed research plans presented in the Department's report have excellent potential and promise for prompt culmination in developments that will provide substantial economic markets for major surpluses. The committee recommends that the increased funds for utilization research and development be allocated with considerable discretion by the Secretary of Agriculture for the purpose of conducting utilization research essentially as proposed in the Department's report in response to Senate Resolution 415, including the construction and staffing of research facilities, agreements, and contracts with private organizations and firms, and such other steps as may be necessary to carry out a generally accelerated research program. In carrying forward its utilization research program appropriate consideration should be given to research investigations on grapes and grape products, including wine.

Mr. HOLLAND. It is the judgment of the members of the subcommittee, which has been expressed over a period of several years—and it has been the judgment of the legislative committee which deals with agriculture, as well as the judgment of many other Senators—that the research program for developing better uses of farm products is lagging, and that one of the answers to our surplus problems lies in this field. I call attention to this not only because it is important in terms of money, since it involves \$35 million, as recommended for this year—much of which would not be for recurring items—but particularly because I believe if the Senate committee's efforts is approved by the Senate itself and then the Senate succeeds in that effort, we shall have launched a program of far-reaching importance. I believe it will go a long way toward helping to solve troubling surplus problems.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield to the distinguished Senator from North Dakota.

Mr. YOUNG of North Dakota. The Senator from Florida has appropriately called to the attention of the Senate the fact that this appropriation of \$35 million is a considerable amount of money, but it is small in comparison to the huge amounts of money involved in the surpluses the Federal Government is carrying.

Researchers who have gone into this subject believe that many new uses can be found for our surplus products. If this can be done, the \$35 million will be well spent.

The Senator will recall that 4 or 5 years ago the Senate passed an open-end authorization bill to greatly increase this type of research. The bill as introduced called for a \$100 million authorization, but as it was finally approved it was an open-end authorization. That is an indication of the great interest which has existed for years on this side of the Congress in this type of research.

Mr. HOLLAND. I remember that well. I thank the Senator for recalling it to my mind. The Senate has for a long time felt, as our committee has felt, that this is a field we have neglected too long, which may offer the keys we need to solve some of our surplus problems.

I thank the Senator from North Dakota.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield to the Senator from Kentucky.

Mr. COOPER. I am fully in accord with the purposes of the amendment and also the increase in the amount which the committee has recommended for utilization research—to find new uses for our agricultural products and particularly those in surplus. I note in the report of the committee, in connection with the amendment, the following statement on page 10:

Substantial increases would be allotted to work on wool, oilseeds, fruits and vegetables, tobacco, sugar, naval stores, and new replacement crops.

I note also that the appropriation could be used for the construction of needed facilities. The question I raise is directed to the possible use of the funds for tobacco research facilities.

As the Senator from Florida knows, a National Tobacco Laboratory was established at the University of Kentucky in 1960, and appropriations have been made for 3 years in support of the laboratory. I point out—only in aid—for the State of Kentucky provided more than \$1 million to initiate this National Tobacco Laboratory.

There has been some speculation that another laboratory duplicating this facility might be constructed, from appropriated funds. When the amendment was considered—since it embraces funds for construction as well as utilization research—was it contemplated that an additional facility might be constructed for tobacco research?

Mr. HOLLAND. As I understood the report of the Secretary of Agriculture and his plan for the use of this fund, if it is made available, it would not include an additional facility in that particular field.

I will expand upon what I said a moment ago, to the effect that much of this appropriation is nonrecurring, by saying that about half of the appropriations for this year, and also for the second year, would have to be used in construction of facilities, but would not recur in later years. It is not my understanding that additional tobacco research institutions would be set up for this program. It is my understanding that the tobacco station which the Senator mentioned, and which is located, very appropriately, in his own State—and his own efforts are to be in part credited for that fact—is serving well and doing a fine job. If there were to be further need for tobacco research, that need could be brought out by reports of the Secretary of Agriculture.

The document itself, if the Senator has it before him, contains, on the preface page which is termed "Highlights," this statement:

Using nearly half of the increase in the first 2 years to provide new laboratory space for utilization research throughout the country.

This would include, in the first year, a new regional laboratory in the Southeast (\$9.5 million) and in addition to the Northern Laboratory at Peoria, Ill. (\$8 million). In the second year, \$15 million would be used to build additions to the Western (Albany, Calif.), Southern (New Orleans, La.), and Eastern (Wyndmoor, Pa.) Laboratories, and to renovate and expand facilities at field stations in Pasadena, Calif., Olustee, Fla., and Weslaco, Tex.

The one which mentions my own State has to do wholly with naval stores. I believe it is the only such station in the Nation. A small expansion of that station is contemplated, along with other major expansions of other stations mentioned in the paragraph which I quoted.

Mr. COOPER. I thank the Senator. As I said, I support the efforts of the committee to provide increased funds for utilization research.

Mr. HOLLAND. Let me break into the Senator's statement to say that since the amendment in the bill before the House on this subject provided for production research also, we made the wording in our version of the bill cover not only the objectives that were stated in the report transmitted by the Secretary of Agriculture, but also to include research on production costs and the like.

One of the most notable examples of what can be done by utilization research has occurred in an industry in my own State, namely, in the field of citrus concentrate. There was a time some years ago when we thought a few boxes over 40 million boxes of citrus fruit constituted a surplus which baffled our ideas as to how they would be consumed. As the Senator knows, prior to the freeze last December, our production had reached the stage where we were producing more than 150 million boxes a year. The principal reason why that all year-round and world-round distribution was made possible was the perfection of citrus concentrate methods which were developed in the course of utilization research, first in the Federal agencies, and later perfected in the State agencies. The patents were promptly conveyed to the U.S. Department of Agriculture as public-use patents so they could be used in Texas, California, or wherever else citrus fruit was produced.

I think there is no better illustration of what comes through research in the field of utilization than that illustration, which has brought a greater measure of use and a fuller utilization of the particular crop than would have been possible up to now through the handling of the fresh crop or through canned products.

PLANT AND ANIMAL DISEASE AND PEST CONTROL ACTIVITIES

The committee recommends an appropriation of \$66,821,500 for the appropriation item "Plant and Animal Disease and Pest Control." This is \$7,316,520 plus over 1963 and \$7,316,500 over the House bill. Under this appropriation,

funds are provided for plant and animal quarantine, and a number of regulatory programs affecting insects and animal disease and quarantine activities.

The principal changes from the House bill are the inclusion of \$2,750,000 for a continuation of the screwworm eradication program in the Southwest, which was inadvertently omitted by the House.

On that point may I say that I, as chairman of the subcommittee, received from my counterpart, the chairman of the same subcommittee in the House, a letter stating that in the drafting of the bill this item, which had been approved by the committee, was inadvertently omitted, and asking that we place it in the bill. As a result of our hearings and our strong approval of that item and that letter, the item was placed in the bill.

This program was initiated in fiscal 1962, and the 1963 funds, amounting to \$2,750,000, were carried in the Supplemental Appropriation Act, 1962, but available during fiscal 1963. Cost sharing is required under this program for the expenses of production, irradiation, and release of the screwworm flies. The release of these sterilized screwworm flies in the eradication program in the Southwest follows the same general techniques employed in the eradication program which proved to be so highly effective in Florida and the Southeast some years ago.

The committee recommends \$4,109,200 for the cooperative program on hog cholera eradication. This is an increase of \$2 million over 1963 and \$1,259,980 over the House bill. This is a new cooperative cost-matching program, and the committee believes the full Federal share should be provided.

The committee was advised that several States had met their required contributions in full through actions by their respective legislative bodies, and the funds provided in the Senate version of the bill represent matching of the funds already provided by the States in question.

The committee recommends \$1 million increases in each of the cooperative eradication programs on the imported fire ant, and on sheep scabies.

As to the imported fire ants, I am glad to say, where lovers of wildlife can read it, that a compound has now been discovered which is effective in doing away with this very dangerous pest, which was imported into our country and had spread through several States before an effective effort to eradicate it began. By the way, the new chemical is named Mirex, and it is being used without any dangerous or deleterious effect on wildlife, as well as on livestock, poultry, and the like, which in some instances had suffered destruction by the use of earlier chemicals.

With reference to the sheep scabies item, I shall await comments from the Senators whose areas are affected, particularly the Senator from South Dakota, who has been very active in this matter. In general, I can only say that several States in this program are putting up their own funds, in some instances outstripping to a great extent the Federal effort in the eradication of

this dangerous and destructive disease. They are now confronted with a situation under which some of the neighboring States have not done so, and they are, therefore, being subjected to constant reinfestation. The reason for the \$1 million increase in the bill is to allow the other States to join, in areas where other States have completed the eradication program, so that they may complete their programs and round out the regions that are now free from the disease.

SOIL CONSERVATION PROGRAMS

The bill carries \$204,297,000 for programs administered by the Soil Conservation Service. This is an increase of \$11,265,750 over funds appropriated for 1963, and \$3,936,000 over the House bill.

The committee recommends an appropriation of \$215 million to finance the 1963 agricultural conservation program, authorized last year and recommends an advance authorization of \$250 million for the 1964 program. This is the same amount of authorization as that proposed in the House bill, and is \$100 million over the budget estimate.

AGRICULTURAL MARKETING AND DISTRIBUTION PROGRAMS

For the marketing research, market news, inspection, and marketing service activities administered by the Agricultural Marketing Service, the bill carries \$44,514,100, an increase of \$3,616,930 over 1963, and \$7,453,100 over the House bill.

The principal increase over the House results from the restoration to this agency of \$6,550,000 as carried in the estimates, and transferred by the House to the Agricultural Research Service.

I have already mentioned this particular transfer in the discussion in that part of my statement which relates to the Agricultural Research Service.

The committee amendment restores to the bill the text of language necessary to provide for marketing research and the construction of the peanut research facility previously referred to.

For the national school lunch program, the full budget estimate of \$137 million is provided. This is the amount carried in the House bill and is \$12 million over the 1963 appropriation. The increased amount is available for distribution to the States pursuant to the revised school lunch formula. In addition, \$45 million of section 32 funds are provided for purchase of food for this program. Likewise, food donations from Government-owned inventories, valued at \$121 million were made available to the national school lunch program last year, and it is expected that food donations will continue at the same level in 1964.

That means, of course, that we expect to have a continuation of the use in the school lunch program of sufficient commodities out of the surplus commodities to meet the situation and to equal the participation from that source last year.

For the special milk program, \$100 million is appropriated. This is the amount of the House bill and will permit an expansion of \$4 million over amounts used in fiscal 1963.

For the pilot food stamp program, cur-

rently financed from section 32 authorization, the committee recommends \$51.5 million, as proposed in the estimate, and \$11.5 million over the House bill.

Considering the statements before us, particularly those applicable to the depressed areas report, we felt that to cut the food stamp program at this time would be very unfortunate. We have therefore restored it to the full operation, as requested by the budgeted amount.

An appropriation of \$19,039,000 is recommended for the operations of the Foreign Agricultural Service. This is the amount requested in the budget, is an increase of \$1,903,730 over last year, and an increase of \$534,000 over the House bill.

Before leaving this part of my statement, I wish to advert to a matter which was brought to the attention of the committee on the last day when we were marking up and prior to reporting the bill. It was reported to some members of the committee by various commercial printing establishments that it was their understanding that the Department of Agriculture was planning to publish a house organ or magazine which, in some respects, would duplicate the services made available through private enterprise.

In pursuance of that report, and since we had had no hearing on it at all, the committee appointed a subcommittee to confer with the Secretary of Agriculture and then to bring the matter up on the floor if we felt it desirable to do so.

After conferring with the Secretary of Agriculture, the subcommittee felt that his explanation of what was expected to be done in that field was reasonable. We asked him to cover it by a letter, giving a full statement of his intentions. The Secretary's letter to me is dated September 20, and attached to it is a report dated September 19. I ask unanimous consent that the letter and the accompanying statement by the Secretary of Agriculture be included in the CONGRESSIONAL RECORD at this point in my remarks.

There being no objection, the letter and statement were ordered to be printed in the RECORD, as follows:

SEPTEMBER 20, 1963.

HON. SPESARD L. HOLLAND,
U.S. Senate.

DEAR SENATOR HOLLAND: In accordance with our discussion on September 12, 1963, there are enclosed an original and five copies of a statement regarding the use of the Federal-State market news leased wire system.

We hope that this statement provides the information on this matter which you requested.

Please let us know if you desire further information.

Sincerely yours,

ORVILLE L. FREEMAN.

DEVELOPMENTS REGARDING USE OF THE FEDERAL-STATE MARKET NEWS LEASED WIRE SYSTEM

U.S. DEPARTMENT OF AGRICULTURE,
Washington, D.C., September 19, 1963.

The U.S. Department of Agriculture has been collecting and disseminating agricultural market news since 1915 in cooperation with State departments of agriculture. The reports consist of prices, stocks, and movement of cotton and cottonseed, dairy and

poultry products, fruits and vegetables, grain and feeds, livestock, meat and wool, molasses, naval stores, and tobacco.

For many years market news reports have been transmitted among the 135 Federal-State market news offices over a national leased wire system. The reports are then made available from each market news office. It is essential to collect, transmit, and release these market reports with the least possible delay if they are to be of maximum usefulness. For example, many livestock producers look to the reports from Kansas City, Chicago, or other markets before making their plans each day for direct or auction sales of cattle and hogs.

Market news offices release their reports in many ways. Daily mimeographed reports are sent out by mail; summaries are given to local newspapers and broadcast stations; long distance collect telephone calls or telegrams are sent to individuals at their request; recorded telephone tapes are cut for automatic playback to callers; reports are posted at stockyards and other public markets; and many persons visit the market news offices daily at the time when certain reports are due to be released. Special summaries are supplied several times daily to the Associated Press, United Press International, and other news services at points throughout the United States.

Because of the delays or lack of completeness in the relaying system through the local market news offices, users of the market news service have requested that teletypewriter receiving machines be installed at their place of business. In 1950, the Western States Meat Packers Association established a leased wire circuit to distribute market news reports to its members. The Market News office in San Francisco serviced this circuit by relaying the livestock reports on a sending machine which the association located in this office. In 1955, a similar circuit and arrangement was set up by the National Independent Meat Packers Association which was serviced by the Market News office in Chicago. Also in 1955, the Colorado Cattle Feeders Association established its circuit with service out of the Denver office. The USDA agreement with these associations specified that they would derive no profit from the arrangement and would permit any private subscriber willing to pay the costs to join their leased wire circuits.

These private arrangements resulted in duplicate line charges because their lines paralleled the Federal-State circuits in many instances. For example, a livestock marketing firm in Billings, Mont., would have to pay its pro rata costs for a line from San Francisco even though the Federal-State circuit, which carries the same reports, runs directly through Billings. This duplication led to requests to be able to "tap on" to the circuit at the nearest market news office. In addition, other commodity groups who depend on the Federal-State reports in carrying out their daily operations, wished to avail themselves of this faster service at their expense.

Direct connections to the leased wire circuits would probably have been initiated long before August 1, 1963, if it had not been for the mechanical problem of screening out administrative messages or incomplete market news data, which are consolidated by one of the receiving Federal-State offices prior to public issuance. Although automatic selector equipment for screening messages has been available for a number of years, the Federal-State Market News Service does not have this equipment on its sending machines. Indirectly, the present arrangement is an outgrowth of the action of the 87th Congress directing a joint Department of Agriculture-Weather Bureau survey in 1962 to explore the possibility of coordination of

the use of their separate leased wire circuits. As a result of this survey, USDA officials learned (1) of the extensive arrangements which the Weather Bureau has for over 1,000 private subscribers on its leased wire circuits throughout the country, and (2) of the fact that automatic selector equipment could be attached to the receiving machines, at no cost to the Government, for the purpose of screening out messages. The joint report by the U.S. Departments of Commerce and Agriculture, which was submitted to Congress in April 1962, includes the following statement: "At present, only Federal and Federal-State Market News offices are connected with the AMS (USDA) leased wire network. No radio stations, TV stations, or other private subscribers have direct access to the AMS leased wire circuit. Therefore, any weather information on this circuit would have to be relayed from the market news offices to the press. This method of communication would not be faster nor more effective than the existing arrangements for distributing weather information.

"With the increased capacity and automatic selectivity feature of the AMS network provided for under its proposed modernized leased wire plan, consideration is being given to the desirability of opening the AMS network to private subscribers who would pay the machine rental and the added mileage costs. If this plan were adopted, it is possible that radio stations, TV stations, and newspapers in certain sections would wish to install a private drop. Under such a plan, establishment of AMS-Weather Bureau exchange points at strategic locations would make it possible to transmit selected weather information to stations on the AMS network along with the market news reports."

The Department started relaying market news reports for transmission on the first of the Weather Bureau networks in June 1962. These leased wire networks transmit detailed weather news and forecasts to radio and TV stations, newspapers, public utilities, and various private firms.

The Department filed a request on April 9, 1962, with the American Telephone & Telegraph Co. to provide "Extension" service on the market news leased wire circuits similar to the arrangement which had been approved by the Federal Communications Commission for the Weather Bureau. A letter dated August 7, 1962, was received from A.T. & T. advising that it could furnish such service. The Department deferred further action on this matter until after the congressional hearings on its 1964 appropriations. The proposal was then discussed on March 8, 1963, at the House subcommittee hearings (Department of Agriculture appropriations for 1964, pt. III, pp. 1469-1471).

In accordance with the appropriation hearing discussion, the Department issued a press release on May 20 and published a notice in the Federal Register on May 25, 1963, asking for comments prior to making a final decision on the initiation of this expanded service. This notice received wide circulation—102 replies were received; 68 favored the proposal, 19 opposed, and 15 were noncommittal. Nineteen farm or trade organizations approved the proposal and one was noncommittal. Thirteen newspapers, broadcast stations, or other news media either approved the proposal or simply requested further information for their own evaluation in utilizing the service and one firm opposed it.

Careful consideration at each stage of its development was given to all foreseeable features of this plan. As the result of this consideration, the Department concluded that this plan would make a proper and useful contribution to the Federal-State Market News Service. Accordingly, the Department announced on July 10, 1963, that di-

rect hookups to the Federal-State market news network would become effective on August 1, 1963.

The American Newspaper Publishers Association, in its August 20, 1963, memorandum, lists six arguments against allowing private firms and individuals to connect to the leased wire circuits of the Federal-State market news service. Following are the arguments and the USDA comments on them:

ANPA ARGUMENT NO. 1

"Under our concept of freedom, it is improper for the Government to engage in the business of news gathering and dissemination. It can too easily become a propaganda agency. The long-standing policy of Small Business Administration (and its predecessor agency the Reconstruction Finance Corporation) has been not to make loans to newspapers or broadcast stations because it does not wish to create any implication of Government influence on editorial content. The same policy should apply to the Department of Agriculture."

USDA comment

Federal, State, and county governments have been engaged for more than 100 years in gathering and disseminating specialized reports, data, and other information. Examples are weather reports, census reports, agricultural crop estimates, and agricultural market news reports. Federal laws authorize these services.

Congress, in establishing the U.S. Department of Agriculture in 1862, specifically authorized the new Department "to acquire and diffuse among the people of the United States useful information on subjects connected with agriculture, in the most general and comprehensive sense of the word."

The Agricultural Marketing Act of 1946 provides that "the Secretary of Agriculture is directed and authorized to collect and disseminate marketing information, including adequate outlook information on a market-area basis, for the purpose of anticipating and meeting consumer requirements, aiding in maintenance of farm income, and bringing a balance between production and utilization of agricultural products."

Congress each year in its appropriation actions reviews and directs the operation of these services.

The bug-a-boo of these services becoming propaganda agencies is completely foreign to American concepts. This presupposes that the executive branch of the Government would have the desire (and ability) to use for propaganda purposes its staff of meteorologists or statisticians or agricultural marketing specialists; that Congress would abdicate its responsibilities and fail to exercise its powers of direction; and that the American people would tolerate such actions.

The Small Business Administration's policy against making loans to newspapers or broadcast stations in order not to imply any Government influence on editorial content is not germane to this issue. Agricultural market news reports have no connection with editorial policy or content. These reports are limited to specialized, technical data for the use of farmers and others who buy and sell agricultural commodities. The excerpts on page 6 from typical market news reports show their scope and content. The fact that the Chicago hog market opened at \$17 to \$17.25 per hundredweight and closed at \$16.50 to \$16.75 may have been very significant to many persons in making their marketing plans for the following day. It is hardly conceivable, however, that the collection and dissemination of this information by the Government could be used to influence editorial content.

ANPA ARGUMENT NO. 2

"Government should not engage in any enterprise in competition with existing pri-

private ownership which is able to provide satisfactory service, as the U.S. Department of Agriculture will be doing in this case."

USDA comment

There is no such existing private ownership. Comprehensive, detailed market news reports on a national basis are collected and disseminated only by the U.S. Department of Agriculture in collaboration with State departments of agriculture. There are private marketing analysts or commodity specialists who provide their services to their customers through newsletters or other media. Some of them collect certain marketing information; most of them utilize the Government market reports for their primary data; and none of them duplicates the extent and scope of the Government reports.

The objection to competition with a privately owned firm apparently refers to the P.A.M. News Corp. This firm was purchased by the New York Journal of Commerce from its owner-operator on May 1, 1963. P.A.M. (under a different firm name) was started during the 1940's for the purpose of relaying to fresh fruit and vegetable growers and shippers Federal-State market news reports plus certain supplemental market information which it collects directly. P.A.M. leases wire circuits for this purpose and states that it presently has about 300 customers. The Federal-State market news reports are transmitted via a special hook-up maintained by P.A.M. from the USDA leased wire center in Washington, D.C., to the P.A.M. office in New York City. This arrangement has existed for many years. P.A.M. then relays these Government reports to its customers via its own leased wire circuit. P.A.M. discontinued use of its special hook-up in August and is now obtaining the Federal-State market news reports by direct connections on the USDA leased wire circuits.

The daily supplies and prices of fresh fruits and vegetables fluctuate more rapidly and widely than any other agricultural commodity group. Therefore, maximum speed in receiving the Government market news reports from the major wholesale markets and production areas is of primary importance. The opportunity for fresh fruit and vegetable growers and shippers, at their expense, to obtain direct connections on the Federal-State leased wire circuits is of concern to the P.A.M. News Corp. because these wire connections will reduce the lag in time for the receipt of Federal-State market reports directly from their source. Whether this arrangement will affect the P.A.M. News Corp. may depend upon the value its customers place on the supplemental market information which it collects and sells to them.

ANPA ARGUMENT NO. 3

"The announcement sets up a system of censorship by giving the Department of Agriculture authority to cancel the service of anyone who allegedly abuses the service by 'Misrepresentation' of reports, or for any other reason when, in its sole judgment, such cancellation is desirable."

USDA comment

No system of censorship or management of the press is involved in any manner. This objection is drawn from a misinterpretation of a statement in AMS Bulletin 510 which was issued to explain the expanded leased wire arrangement. Unfortunately, the Agricultural Marketing Service wrote this statement in such a capsule form that it is easily subject to misinterpretation.

The statement in AMS Bulletin 510 was as follows:

"The new service is available to all who want it, and no application need be made to USDA to receive service. However, USDA reserves the right to cancel at any time the

connection of any or all subscribers who abuse the service by misinterpretation of reports, or for any other reason when, in its sole judgment, such cancellation is desirable."

This statement is intended to cover only two kinds of situations. First, notice of reservation by USDA of the right to cancel service to an individual subscriber if he should issue false or fraudulent market news reports, which he designates as being Federal-State market news reports. Second, notice of reservation by USDA of the right to cancel the new service in its entirety and in the sole judgment of USDA if, for some unforeseen reason, it should turn out to be detrimental to the best interests of agricultural producers as a whole.

Objections related to censorship would have to be based on the possible cancellation action against individual subscribers. Guarding against the unlikely possibility of false or fraudulent reports, ascribed to the Federal-State Market News Service, is not a capricious or unreasonable safeguard. For example, intermingling of data from other sources so that they appear as part of the Federal-State report should be considered as a false report.

The agreement which has been in effect between USDA and P.A.M. News Corp. for several years contains similar restrictions and cancellation provisions. No objection has ever been received from P.A.M. to these provisions which are as follows:

"P.A.M. News Corp. will retransmit official market news reports without amendment or modification; will credit all market news reports originating in Agricultural Marketing Service as USDA; and will credit all non-USDA market reports as independent or by specific private agency so as to indicate no responsibility on the part of USDA. Either party may terminate this agreement upon 30 days' notice in writing to the other party."

Working relationships under this agreement with P.A.M. News Corp. have been very satisfactory and no question of termination has ever arisen.

If cancellation of the service to an individual subscriber should arise, the established procedure for withdrawal of other voluntary fee services provided under the Agricultural Marketing Act of 1946 (i.e., inspection, grading, and classing services) would be followed. This procedure calls for affording the respondent an opportunity to file a written statement or, at his option, to have an oral hearing to show cause why the service should not be withdrawn. The procedure next requires that the respondent be served with a proposed suspension order consisting of tentative findings, conclusions, and decision specifying the suspension period and giving him 20 days in which to file exceptions. After ruling on exceptions received, the Administrator or Deputy Administrator of AMS may issue a formal suspension order for a specified period of time.

In addition to the safeguards of individual rights contained in this USDA procedure, the Administrative Procedure Act gives any person adversely affected by such action the right of judicial review. This act provides, among other things, that the reviewing court shall decide all relevant questions of law and shall hold unlawful and set aside agency actions found to be arbitrary, capricious, an abuse of discretion, contrary to constitutional rights, or for certain other specified reasons.

ANPA ARGUMENT NO. 4

"Future expansion of this service—as is indicated in a Department of Agriculture background memorandum—could easily lead to a complete national news wire in direct competition with Associated Press and United Press International."

USDA comment

The basis for this sweeping charge is so vague that it is difficult to find a meaningful comment. The USDA is not engaged, or authorized to engage, in the operation of a complete national news wire. AMS Bulletin 510 makes very clear that there will be no changes made in the informational material transmitted on the leased wire network as the result of private subscribers. It states that:

"The primary purpose of the leased wire network is to relay information throughout the country, for use by market news offices in preparing and issuing reports. The network continues to serve this purpose, and no changes can be made in its operation because of the addition of private subscribers. USDA cannot add to, subtract from, or modify its reports solely as a service to any private subscriber. Many of the reports move on the circuit in abbreviated telegraphic language in order to get the most traffic transmitted, and subscribers will receive the reports in this form."

There is only a nominal amount of unused capacity on the leased wire circuits. In fact, they operate at a much higher rate than is normally scheduled for wire circuits. Therefore, there is no opportunity for use of the market news leased wire circuits to transmit any significant amount of other traffic.

Federal-State offices mailed out about 20 million mimeographed market news reports last year. It is as farfetched to say that the market news leased wire system could be turned into a complete national news wire service as it would be to say that these mimeographed reports could be turned into complete newspapers.

ANPA ARGUMENT NO. 5

"The announced plan has monopolistic implications in that only A.T. & T. wires can be used although the present privately owned news service in this field uses wires leased from Western Union. FCC policies and actions have been aimed at preserving competition in the leased wire field between A.T. & T. and Western Union."

USDA comment

The USDA obtains its leased wire services under a contract (TPS 72907) made by the General Services Administration for all civil Federal agencies. USDA has no jurisdiction over the awarding of contracts to provide these long line services.

ANPA ARGUMENT NO. 6

"The American taxpayers should not be expected to pay for news wire services to anyone."

USDA comment

As set forth in AMS Bulletin 510, private subscribers pay directly to the telephone company all costs of their connections. USDA pays for the cost of its trunklines and connections to the Federal-State market news offices—exactly as it has in the past.

The USDA pays the same tariff rates, approved by the Federal Communications Commission, as any other public agency or private firm. Rates vary dependent upon transmission speed, hours per day of operation, and type of equipment—not on the identity of the leasing party. For example, USDA pays the same mileage charge per month for a 75-word-per-minute line as does P.A.M. News Corp.

The cost of conducting the agricultural market news service is borne by Federal and State appropriated funds. However, the expanded service is being paid for entirely by the private subscribers at no additional cost to the taxpayers.

One private subscriber expressed the following views in a recent letter:

"The information on livestock market prices will be of real value in helping to keep our staff informed on market conditions. As a result, we will be able to better serve our members in the livestock industry. This improved dissemination of market news information will be of value in stabilizing livestock prices in the market. With the individual subscriber paying all costs of the service, this step forward should be approved by all segments of the industry."

FARMERS HOME ADMINISTRATION

Mr. HOLLAND. Mr. President, I wish to comment briefly on the lending programs administered by the Farmers Home Administration.

An authorization of \$300 million is provided for farm operating loans, an increase of \$10 million over 1963. A total of \$60 million is provided for real estate loans. This is an increase of \$10 million over 1963, of which \$45 million is for farm ownership loans, and \$15 million for soil and water conservation loans. These amounts in each case are identical with the budget request and the House bill.

The committee has included in the bill an amendment to increase the limitation on the borrowing authorization for "rural housing loans" by \$25 million. This increase in limitation, if approved, would provide an estimated \$175 million to be available for use in fiscal 1964 under this program.

For the information of the Senate, I think it is appropriate to say that the contemplated program for 1964 involves the use of \$350 million in this program and that additional legislation is pending in the Congress. However, the addition of this \$25 million of borrowing authorization should carry the program until the Congress has a chance to consider it more fully next year.

RURAL RENEWAL AND HOUSING FOR ELDERLY REVOLVING FUND

The committee recommends an appropriation of \$1,350,000 to initiate the program of financial and technical assistance to public agencies as authorized a year ago in section 102 of the Food and Agriculture Act of 1962. The amount provided will permit the initiation of a few pilot projects under the program.

The committee has recommended an appropriation of \$3.5 million for the revolving fund to finance loans to private nonprofit corporations and consumer cooperatives to provide rental housing facilities for elderly persons of low income in rural areas.

RURAL ELECTRIFICATION PROGRAM

The committee has approved a total of \$495 million for new loan authorization for fiscal 1964. Of this total, \$425 million is for electrification loans and \$70 million for the telephone loan program. These are the amounts requested in the budget estimate and carried in the House bill.

For the rural telephone program \$70 million is provided—and together with carryover authorization of \$40.7 million will provide a total of \$110.7 million.

For the rural electrification program \$425 million of new lending authorization is provided. This is an increase of \$25 million over 1963. The House placed \$150 million of this authorization in re-

serve and the committee concurred in the action of the House in that regard.

Last year the agency approved electrification loans totaling \$341 million as follows: \$155.4 million for distribution loans, \$114 million for generation loans, \$69.4 million for transmission loans, and \$2.2 million of section 5 loans for consumer facilities.

The committee has recommended \$11,287,000 for administrative expenses, an increase of \$844,800 over 1963, \$125,000 over the House bill, and \$57,000 under the budget.

The increased amounts will be needed for pay costs, and to strengthen agency-filled staff to carry out requirements in connection with the electrification program in regard to which I now wish to make further comment.

RURAL ELECTRIFICATION

Mr. President, I say facetiously that from some of the comments I have seen coming from the national association in this field, one would think that our committee had been a little niggardly with the rural electrification program. To the contrary, we have approved in all respects the amounts allowed by the House bill, and we have allowed an additional \$125,000 beyond the amount provided by the House, an amount we thought was necessary for administrative operations.

I have seen no reference to that action of the committee in the somewhat caustic reports of our activities, issued by the Rural Electrification Association, which have appeared in various places in the press. I hope they will find time to read the complete reports of our action, so that we will, perhaps, be given some praise for our generosity in this regard.

Mr. HUMPHREY. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield to the Senator from Minnesota.

Mr. HUMPHREY. The Senator from Florida is entitled to praise in terms of this appropriation, and particularly the attitude that was exhibited toward the Rural Electrification Administration—that is, the REA itself. There were some honest differences of opinion over language relating to loan policy. As the Senator has undoubtedly indicated, those differences were voted on in committee. We placed in the report language that I believe can be salutary and helpful. But, as was said—and I wish to make the Record clear—unless the loan policy follows the language we have outlined, the administration can expect to have more severe limitations and language in the forthcoming year.

I do not want to have the Senator from Florida singled out for undue criticism in this regard, because the attitude in committee was not one of antagonism toward REA. To the contrary, it was one of respect for what REA has done and is continuing to do. However, some concern was expressed about loans that did not seem to meet the overall standards and patterns of rural electrification.

Other Senators and I have had a point of view a little different from that of the

Senator from Florida [Mr. HOLLAND] and the Senator from Louisiana [Mr. ELLENDER], but I believe we have reconciled those points of view rather well. I hope that what we have decided upon will have an effect upon the policy of the REA Administrator and his staff.

Mr. HOLLAND. I join the Senator from Minnesota in that expression. I have not reached that part of my report. I was suggesting, rather facetiously, that our committee had, by its unanimous action, provided \$125,000 more for operating expenses, an amount which was earnestly and urgently requested of us by the REA group, but which seems to have escaped their notice in commenting on other parts of our activity, which I shall reach in my report in a few minutes. I am glad the distinguished Senator from Minnesota is in the Chamber.

Most Members of the Senate are interested in the rural electrification program and have read the Senate committee report dealing with generation and transmission loans made under section 4 of the REA Act, as well as loans made under section 5 of the act.

Before I proceed further, I should say that while the loans that went amiss under section 5 were small in amount, they have caused more trouble for REA than any other one thing that REA has done. The idea of making two loans for the purpose of installing ski facilities in areas served by REA has not met with popular reception, either on the part of any member of our committee or, I think, on the part of the general public. I hope the REA Administrator will confine himself, in handling section 5 loans, to fields more nearly in accord with the purpose and intent of the act.

The statements in the committee report embody an effort to preserve the loanmaking authority of the REA Administrator whenever he is unable to negotiate a reasonable power supply contract from a private power supplier. In addition to the House report requirements whenever the REA Administrator makes a loan in excess of \$2 million for generation or transmission purposes, he shall certify to the Secretary of Agriculture, the Comptroller General, and the Congress that he has taken the three steps recommended in the House committee report and that the private supplier has been given an opportunity to enter into a reasonable power supply contract. In addition, the Senate committee has provided that at the time he makes a loan the Administrator of REA shall provide the Comptroller General and the Congress with the information set forth in points (1) through (11) on page 28 of the Senate committee report.

In addition, the Senate committee report further provides on page 28 that:

With respect to each generation and transmission loan application, processed by REA in accordance with the foregoing procedures, the Administrator should, in order to avoid dilatory tactics or protracted delays on the part of either party in such negotiations establish a publicly announced period of time during which the survey, determinations, and negotiations will be carried on prior to a definite cutoff date set by the Administrator.

The committee is opposed to the imposition of dual rates in power supply contracts

and believes that the cooperatives should state their needs clearly and concretely, and that the suppliers of power should in turn clearly set forth the terms and conditions of power supply contracts.

I know of no Senator serving on the Appropriations Committee who feels that the REA Administrator should be precluded from the consideration of, and the approval of generation and transmission loans, and the majority of the committee believes that the procedures set forth will strengthen and preserve the REA program.

It is our opinion that the REA Administrator should make certain that any loans approved for the building of generation plants, be made only after it is evident that the present supplier of power requirements is attempting to impose restrictive rates or terms, or other unreasonable conditions in a long-term power supply contract.

During the course of Senate hearings last spring, members of the subcommittee requested information from the REA Administrator on certain generation and transmission loans. The information was provided to the committee, but there was a delay of about 3 weeks from the time it was originally requested until it was all furnished.

Then, on June 11, the REA Administrator was requested to furnish the committee with the following information for each power-type borrower: the number of kilowatt-hours of energy generated for 1962, the average cost of generating such power per kilowatt-hour, the price charged to the cooperatives served by the power-type borrower, the amount of power purchased, the cost thereof, and the type of power purchased together with costs to user cooperatives. The information supplied appears, beginning on page 345 of the REA hearings. It again required the committee to spend about 3 weeks to compile the requested information.

Mr. President, I should add that, so long drawn out were the REA hearings after our committee work was completed, that we requested the publication of the other hearings without including the REA hearings; and they were published in the form of this large volume, which I hold in my hand, containing over 1,500 pages. The REA hearings were necessarily held up, because both of the contending groups requested additional time to file additional statements, and we granted them the time requested; and the hearings were published separately in another volume, consisting of some 365 pages, both volumes of which are now printed and on the desk of each Senator.

Mr. HUMPHREY. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I am glad to yield.

Mr. HUMPHREY. I wonder whether the Senator from Florida will be willing to have printed at this point in the RECORD, in connection with his discussion of the appropriation, the items relating to REA, on pages 27-29 of the report?

Mr. HOLLAND. I would be happy to do that, except for the fact that the same request is incorporated in my statement a little later on. Therefore, if the Sena-

tor will wait, he will find it more appropriate to have it included then. If not, I shall be glad to have it appear anywhere in the debate the Senator wishes.

Mr. HUMPHREY. I thank the Senator.

Mr. HOLLAND. Mr. President, it is my opinion that an agency which is making long-term, 35-year loans, involving sizable amounts of Federal funds, at a nominal rate of interest, should be in a position to supply the basis for its consideration and final action upon such loans promptly and fully—whenever requested by a congressional committee.

That is one of the reasons for the directions in our report as to the supplying of information which, under the recommendations made by me, as chairman of the subcommittee, would have been supplied directly to the GAO, but will now be supplied in brief form to the committee itself, and to the corresponding committee in the House, 60 days before action is taken; and then it must be supplemented by any additional information which the committee may require.

Mr. HUMPHREY. Mr. President, will the Senator from Florida yield on this point?

Mr. HOLLAND. I am glad to yield.

Mr. HUMPHREY. So that we may have a complete understanding of the language of the report which represents the understanding of the committee—language in which I personally had an interest—I should like to point out when we say, in the committee report, "may I ask for additional information from the REA," we are in fact referring to a request based on action taken by the committee, not just by an individual member at any particular time. Does the Senator agree?

Mr. HOLLAND. I believe I do. However, I am not the author of that provision. The distinguished Senator from Minnesota is the author of that provision; and if that is his interpretation I believe he should state it. I do not have that language before me at this moment, but I am sure his interpretation would be correct.

Mr. HUMPHREY. I thank the Senator. I say this because I believe that language in the report—"and such other information as the committee may request"—should be clearly understood to be the action of the committee and the request of the committee, and not just that of one member.

Mr. HOLLAND. This language will appear in full at a later point in the RECORD, if my request is granted. If the Senator wishes to advert to it, then, I hope he will do so.

The point I am making is that when such requests were made by the committee during the course of the hearings, it took, in each instance, 3 weeks or longer to get the information requested, although it was basic information which we thought must have been compiled and must have been available, because it had to do with the details of the loans.

On July 22, 1963, after consultation with some of the members of the subcommittee, as chairman of the subcommittee I addressed a letter to the Honor-

able Joseph Campbell, Comptroller General of the United States. In this letter, the Comptroller General was requested to respond to three questions in regard to the loan in the amount of \$9,170,000 to the Upshur Rural Electric Cooperative Corp. of Gilmer, Tex. He was also asked to submit to the committee the views of the Comptroller General as to the type of information pertaining to generation and transmission loans which, if the REA were required to furnish to the Appropriations Committee, would be helpful to it in an evaluation of REA loan authorization requests. In addition, the Comptroller General was asked to interview Mr. Douglas Wright, Administrator of the Southwestern Power Administration, in regard to certain aspects of the cost of power, proposed interchange, and leasing arrangements between SPA and the Upshur Cooperative. Mr. Campbell's letter of September 20 transmits a report on this subject.

On July 26, 1963, the Comptroller General submitted informally to the committee the information which the General Accounting Office recommended as being useful to the committee, in regard to pending applications for both generation and major transmission loans. The list of information submitted by the Comptroller General is substantially the same as the 11 points of information which appear on page 28 of our committee report. The only difference between the information listed by the Comptroller General and the 11 points listed in the committee report is that the report language embodies the name and address of the applicant-borrower and the date of the application as point 1; and point 5 in the committee report includes, in addition to the language suggested by the General Accounting Office, the words "including the final offer by the private supplier including terms and conditions he offered to meet applicant's long-term energy needs."

The additional information requested was inserted, simply to verify an existing general requirement of the agency, that applicants for generation loans submit, with their application, the final offer made by the private supplier for a power contract, prior to submission of an application for a generation loan.

Mr. President, I now call to the attention of the distinguished Senator from Minnesota my request that there be printed in the RECORD my letter of July 22 to the Comptroller General; the information submitted by the Comptroller General to the committee on July 26; the letter from the Comptroller General, dated August 20, and identified as B-152146; and the letter from him, dated September 20, identified as B-152146.

There being no objection, the letters and documents were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON APPROPRIATIONS,
July 22, 1963.

HON. JOSEPH CAMPBELL,
Comptroller General of the United States,
Washington, D.C.

DEAR MR. CAMPBELL: This is in reference to discussions held with your representatives on July 19, 1963, concerning certain gen-

eration and transmission loans approved by the Rural Electrification Administration, Department of Agriculture. As expressed at this meeting by Senators ELLENDER, YOUNG, and myself, we would appreciate the assistance of the General Accounting Office in reviewing certain aspects of these loans.

Of primary concern to us is an REA loan of \$9,170,000 to the Upshur Rural Electric Cooperative Corp. of Gilmer, Tex. In connection with our 1964 Agricultural Appropriations hearings, REA furnished us information stating that the feasibility of the Upshur loan depended in part on the purchase of Upshur's surplus power and energy by the Southwestern Power Administration and the leasing by SPA of Upshur's transmission facilities. SPA proposes to pay for the surplus power and energy and the leasing of the facilities out of its continuing fund which was established pursuant to the Continuing Fund Act (16 U.S.C. 825S).

We request your opinion on the following aspects of the Upshur loan:

1. Does consideration of the arrangements with SPA as a basis for determining the feasibility of the Upshur loan contravene the Congressional policy behind the 1951 amendment to the Continuing Fund Act? If so, does the loan meet the feasibility requirements of section 4 of the Rural Electrification Act of 1936?

2. One of the criteria used in justifying the Upshur loan was to secure the cooperative's territorial integrity (REA statement at p. 2555 of the House hearings on agricultural appropriations, 1964). Does the use of this criterion in connection with this loan contravene the congressional policy of the unreserved persons clause to prevent federally financed competition with existing utilities?

3. The REA Administrator has stated that the Upshur loan would save Upshur more than three-fourths of a million dollars in power costs during the first 10 years the facilities are in operation. Since the interest rate charged on the loan is 2 percent and the interest rate paid by the Government is 4 percent, the Government subsidy on this loan for the first 10 years might be expected to be about 20 percent of \$9,170,000, or \$1,834,000. Is this correct and, if so, is this loan justifiable as a reasonable exercise of administrative discretion authorized by law?

We understand that you are preparing a report on your recent review of certain aspects of the REA electric loan program. We would appreciate receiving from you at this time such views as may be expressed in your proposed report concerning the type of information pertaining to generation and transmission loans which, if REA were required to furnish to the Appropriations Committees, would help us in our evaluation of REA loan authorization requests.

In addition to the foregoing requests, arrangements have been made with Mr. Charam of your office to furnish the committee informally with certain information on the costs of production, delivery, and sale of generated and purchased electric power, and on leasing arrangements related to designated Rural Electrification Administration loans to cooperatives for generation and transmission of electric power. The Committee would appreciate it if your representatives would interview Mr. Douglas Wright, Administrator of SPA, to ascertain the basis for various estimates made by him as to alternate power costs; and also to determine whether the proposed interchange and leasing arrangements between SPA and Upshur involve the purchase by SPA of energy from Upshur at a greater rate than charged to Upshur for energy purchased from SPA and whether in your opinion these arrangements involve any subsidy from SPA to Upshur.

The committee would appreciate receipt of all of the foregoing information as promptly as possible. It is acceptable to the Commit-

tee for you to submit the requested information in installments as available.

The fine cooperation of your representatives in these matters is acknowledged.

Yours faithfully,

SPESSARD L. HOLLAND,
Chairman, Subcommittee, Department
of Agriculture and Related Agencies.

COMPTROLLER GENERAL OF THE

UNITED STATES,

Washington, D.C., August 20, 1963.

HON. SPESSARD L. HOLLAND,
Chairman, Subcommittee on Department of
Agriculture and Related Agencies, Com-
mittee on Appropriations, U.S. Senate.

DEAR MR. CHAIRMAN: Your letter of July 22, 1963, concerns a loan of \$9,170,000 made by the Rural Electrification Administration (REA) to the Upshur Rural Electric Cooperative Corp. (Upshur), of Gilmer, Tex.

You state that in connection with your subcommittee's hearings on the appropriations for the Department of Agriculture for fiscal year 1964, REA furnished you information stating that the feasibility of the Upshur loan depended in part on the purchase of Upshur's surplus power and energy by the Southwestern Power Administration (SPA) and the leasing by SPA of Upshur's transmission facilities. You state that SPA proposes to pay for the surplus power and energy and the leasing of the facilities out of its continuing fund.

You present three questions for our consideration which will be set forth below and answered in the order presented. Also, in connection with an audit report we are preparing on our recent review of REA loan activities, you state you would appreciate receiving at this time such views as may be expressed in the report pertaining to generation and transmission loans which, if REA were required to furnish to the Appropriations Committees would help you in your evaluation of REA loan authorization requests.

In addition, you state that arrangements have been made with a representative of our Office to furnish your subcommittee informally with certain information on the costs of production, delivery, and sale of generated and purchased electric power and on leasing arrangements related to designated REA loans to cooperatives for generation and transmission of electric power. Also, you request that we interview Mr. Douglas Wright, Administrator of SPA, to ascertain the basis for various estimates made by him as to alternate power costs; and also to determine whether the proposed interchange and leasing arrangements between SPA and Upshur involve the purchase by SPA of energy from Upshur at a greater rate than charged to Upshur for energy purchased from SPA, and whether in our opinion these arrangements involve any subsidy from SPA to Upshur.

This letter will concern only the three questions presented in your letter. The other information you request will be furnished you in a separate letter.

Before answering your questions we will set forth in some detail the pertinent facts concerning the Upshur loan.

On February 14, 1963, the Administrator, REA, approved a \$9,170,000 loan for a term of 35 years to Upshur. The loan was approved for the purpose of financing the principal part of construction of a 38,000-kilowatt net capability steam generating plant near Ore City, Tex., 190 miles of 138-kilovolt transmission line, 65 miles of 69-kilovolt transmission line, 78 miles of distribution line, distribution system improvements, a switching station, and substations. Upshur intends to use a minimum amount of \$700,000 of its own general funds to partially finance construction of the above-mentioned facilities.

Following construction of the generation

and transmission facilities in 1965, Upshur expects to take all its power requirements from the new generating plant. In addition the Panola-Harrison Electric Cooperative, Inc. (Panola), of Marshall, Tex., will take a portion of its power requirements from the Upshur plant. The present power supply to both cooperatives is from the Southwestern Electric Power Co. (SWEPC).

According to REA files, the planned 190 miles of 138-kilovolt transmission line will connect Upshur's new 38,000-kilowatt generating plant to the interconnected high voltage transmission grid of SPA at the SPA switching station at Brown, Okla. Routing of the Upshur transmission line will be northward from Upshur's generating plant to a point near Idabel, Okla., and westward to the Brown switching station. Correspondence between SPA and Upshur indicates that the routing of Upshur's transmission line will permit at a later date an interconnection with the Broken Bow Dam of SPA which could be used as a source of standby capacity for Upshur and will permit Upshur to obtain power from an interconnection with SPA's transmission system at Brown, Okla. Such a line would, according to SPA, permit greater exchange and utilization of power and energy for Upshur's plant, thereby enabling SPA to more efficiently and effectively load the Upshur generating plant for the benefit of both Upshur and SPA.

Proposed leasing arrangements between Upshur and SPA relative to the planned 138-kilovolt transmission line are as follows: The SPA will lease the total capacity of the 138-kilovolt transmission line from Upshur for a term of 40 years. Under the proposed lease SPA will pay Upshur all fixed costs (estimated at \$91,000 per year by REA), including debt service, taxes, and necessary insurance on about 120 miles of the line. The SPA will operate, maintain, and make necessary replacements on the entire 190 miles of the 138-kilovolt transmission line between the Brown switching station and the Upshur generating plant.

Under the proposed lease Upshur will have priority over all others to use any portion of the capacity of the 138-kilovolt transmission line remaining after the contractual obligations of SPA and the cooperative have been fulfilled for its operations. According to REA, Upshur will also have the right to use the generating capacity of the SPA system at no transmission cost to serve Upshur's customers at any point on the SPA system where SPA has a point of interconnection with such customers. In return Upshur will provide a like amount of generating capacity to SPA.

It is proposed that the SPA will, in addition to leasing the 138-kilovolt transmission line of Upshur, purchase from Upshur surplus capacity of the generating plant at the annual rate of \$9 per kilowatt according to a schedule of surplus capacity which will be incorporated in a future contract between Upshur and SPA. A power planning analysis prepared by REA shows that the surplus in 1965 is estimated to be 16,600 kilowatts (44 percent of plant capacity) declining to 1,900 kilowatts (5 percent of plant capacity) in 1974. The analysis also shows that the total surplus capacity of the Upshur plant from 1965 through 1974 is estimated to be 94,600 kilowatts and is estimated to result in surplus capacity sales amounting to \$851,400 to SPA. Upshur would be able to recover any portion of the surplus capacity SPA would have under the proposed agreement, 3 years after giving SPA written notice. According to REA, the generation costs allocable to the surplus capacity being generated by Upshur will not be less than the annual rate of \$9 per kilowatt. Since SPA will be paying Upshur \$9 per kilowatt, this would mean that Upshur will not profit from the sale of surplus capacity to SPA.

SPA and Upshur contemplate that Upshur's generating plant will not be required to operate at a capacity of less than 10,000 kilowatts between the hours of 10 p.m. and 6 a.m. on weekdays and all day on Saturdays, Sundays, and holidays. When the generating plant is not in operation, Upshur and Panola will use the generating capacity of SPA supplied by means of the 138-kilovolt transmission line provided for in the REA loan to Upshur. SPA and Upshur expect to operate their generation facilities so that energy exchanges between them will be balanced off annually. In case it is not possible to balance energy off annually, either party will be compensated annually during the period 1965 to 1970 for the net balance of energy due from the other party at the rate of 2.25 mills per kilowatt-hour. Our review of REA files showed that during the period 1965 to 1970 fuel cost (the only production cost that varies directly with energy generated) for the Upshur generating plant is estimated by REA to be 2.223 mills per kilowatt-hour and 2.667 mills per kilowatt-hour during the period 1970 through 1974. Our review of REA files did not disclose SPA's estimated cost of energy.

According to REA, the feasibility of the loan to Upshur is in part dependent on the proposed lease arrangement and sale of surplus capacity to SPA. Sales of surplus capacity to SPA during the years 1965 through 1974 are estimated by REA to amount to \$851,400. The combined savings to Upshur and Panola from self-generation of their power requirements and sale of surplus capacity to SPA is estimated by REA to be \$772,400.

The loan to Upshur approved by the REA Administrator provides that the loan funds, except for \$615,500 for distribution line facilities, will not be advanced until, among other things, agreements for the lease and operation of the 138-kilovolt transmission line and related facilities, furnishing of standby power for the plant, and the exchange of power and energy are submitted to and approved by the REA Administrator. The Administrator, SPA, advised us in an interview on July 24, 1963, that a contract between Upshur and SPA had not been signed and that the terms of the final contract may be different than those proposed for the contract. He also advised that any agreement made by SPA with Upshur would include a provision that, to the extent funds are provided, payments will be made, but that if funds are not provided, SPA could not be required to perform under the agreement.

Your first question is:

"1. Does consideration of the arrangements with SPA as a basis for determining the feasibility of the Upshur loan contravene the Congressional policy behind the 1951 amendment to the Continuing Fund Act? If so, does the loan meet the feasibility requirements of section 4 of the Rural Electrification Act of 1936?"

There was included in the Interior Department Appropriation Act, 1950, approved October 12, 1949, ch. 680, 63 Stat. 765, 767, the following provision—quoting from 16 U.S.C. 825s-1.

"All receipts from the transmission and sale of electric power and energy under the provisions of section 825s of this title, generated or purchased in the southwestern power area, shall be covered into the Treasury of the United States as miscellaneous receipts, except that the Treasury shall set up and maintain from such receipts a continuing fund of \$300,000, including the sum of \$100,000 in the continuing fund established under the Administrator of the Southwestern Power Administration in the First Supplemental National Defense Appropriation Act, 1944 (57 Stat. 621), which shall be transferred to the fund established; and said fund of \$300,000 shall be placed to the credit

of the Secretary and shall be subject to check by him to defray emergency expenses necessary to insure continuity of electric service and continuous operation of the facilities, and to cover all costs in connection with the purchase of electric power and energy and rentals for the use of facilities for the transmission and distribution of electric power and energy to public bodies, cooperatives, and privately owned companies."

The law in effect prior to the enactment of the provision quoted above gave the administrator of SPA authority to use moneys from a \$100,000 continuing fund only to "defray emergency expenses and to insure continuous operation." Thus, it is clear that the quoted provision of law broadened the power vested in the administrator in that it authorized him to use the continuing fund established therein to pay the cost of purchasing power and energy and renting transmission lines as well as to defray emergency expenses.

The legislative history of the 1950 act indicates that the floor debate thereon in the Senate concerned in part, the use of the continuing fund to purchase power and lease lines from private commercial utility companies, as distinguished from cooperatives. However, we found nothing specific in the legislative history to indicate that the Senate intended to prohibit the use of the fund by the administrator of SPA to purchase power or rent transmission lines from REA cooperatives if necessary, nor did we find any specific indication as to the intent of the House on this point. We are aware that the continuing fund provision, as it passed the House, would have enabled SPA to use the continuing fund to rent "transmission lines and appurtenant facilities" and that the bill was amended in the Senate to preclude the use of the fund for rental of "appurtenant facilities," and as amended was enacted into law. Therefore, in view of the clear and unambiguous language used in the provision in question, that provision made the continuing fund available to SPA to purchase power or rent transmission lines in order to furnish electric power and energy to public bodies, cooperatives or commercial private power companies.

A proviso was added to the continuing fund provision quoted above by the Interior Department Appropriation Act, 1952, approved August 31, 1951 (Pub. L. 136, ch. 375, 65 Stat. 248, 249, 16 U.S.C. 825s-1), which reads as follows—quoting from the code:

"Provided, That expenditures from this fund to cover such costs in connection with the purchase of electric power and energy and rentals for the use of facilities are to be made only in such amounts as may be approved annually in appropriation Acts."

The legislative history of H.R. 3790, the bill which became the Interior Department Appropriation Act, 1952, discloses that the following amendment was offered to the bill on the floor of the House:

"Provided, further, That all receipts from the transmission and sale of electric power and energy under the provisions of section 5 of the Flood Control Act of December 22, 1944 (16 U.S.C. 825s), generated or purchased by the Southwestern Power Administration, shall be covered into the Treasury of the United States as miscellaneous receipts, except that the Treasury shall set up and maintain from such receipts a continuing fund of \$250,000, and said fund shall be placed to the credit of the Secretary, and shall be subject to check by him to defray emergency expenses necessary to insure continuity of electric service and continuous operation of Government facilities in said area, and that no funds from such receipts herein appropriated or previously authorized or appropriated shall be subject to check by the Secretary for the purchase of power or lease of transmission facilities, except under

these limitations relating to emergency conditions."

This amendment, if adopted, would have precluded SPA from using the continuing fund for purchasing power or leasing transmission facilities except under emergency conditions and that apparently was the purpose of the amendment. However, before the House had an opportunity to vote on the amendment a point of order was made against the amendment on the ground that it was legislation on an appropriation bill and the point of order was sustained. A subsequent amendment offered on the floor of the House which apparently was intended to accomplish the same purpose as the one against which the point of order was sustained was also ruled out on a point of order (made on the basis that the amendment was not germane to the matter under consideration). Thus, the bill as it passed the House did not preclude the use of the continuing fund by SPA to purchase power or rent transmission lines.

The legislative history of the bill further discloses that the Senate Appropriations Committee reported out H.R. 3790 with the recommendation that the continuing fund provision in the 1950 appropriation act be amended to read as follows:

"Provided, That the following paragraph under the heading 'Office of the Secretary, continuing fund, power transmission facilities,' in the Interior Department Appropriation Act, 1950 (Public Law 350, Eighty-first Congress), is hereby amended to read as follows:

"CONTINUING FUND

"Continuing fund, power transmission facilities: All receipts from the transmission and sale of electric power and energy under the provisions of section 5 of the Flood Control Act of December 22, 1944 (16 U.S.C. 825s), generated or purchased in the southwestern power area, shall be covered into the Treasury of the United States as miscellaneous receipts, except that the Treasury shall set up and maintain from such receipts a continuing fund of \$300,000, including the sum of \$100,000 in the continuing fund established under the Administrator of the Southwestern Power Administration in the First Supplemental National Defense Appropriation Act, 1944 (57 Stat. 621), which shall be transferred to the fund hereby established; and said fund of \$300,000 shall be placed to the credit of the Secretary and shall be subject to check by him to defray emergency expenses necessary to insure continuity of electric service and continuous operation of the facilities."

This amendment was adopted by the Senate, and if enacted into law, would have precluded SPA from using the continuing fund to purchase power or to lease transmission lines except to defray emergency expenses necessary to insure continuity of service and continuous operation of the facilities. The purpose of the amendment according to a statement made by Senator McCarran during floor debate thereon (see 97 CONGRESSIONAL RECORD, July 9, 1951, 7975) was "to place the continuing fund of the Southwestern Power Administration on the same basis that is recommended for the continuing fund of the Southeastern Power Administration; and on the same basis that is recommended for the continuing fund for the Bonneville Power Administration." Senator McCarran also stated that the continuing fund of SPA had become an issue "because the fund, since its use was expanded in the Interior Appropriation Act of 1950, has been used as a device through which the Southwestern Power Administration is acquiring facilities and expanding in a manner that was never contemplated by the Congress. The Senator continued as follows:

"I will point out the details of this in just a moment. The acquisition of facilities and the expansion of the operation are being accomplished by the method of the Southwestern Power Administration entering into lease and purchase agreements with so-called REA super-co-ops, whereby the super co-ops borrow money from the Rural Electrification Administration to construct transmission lines and build steam generating plants. To make the loan feasible, the super co-ops must demonstrate that such loans will be repaid. The lease and purchase agreement contracts between the super co-ops and the Southwestern Power Administration is the guaranty for the loan. These agreements extend for 40 years and at the end of such time, when the loan has been repaid, the facilities will belong to the Southwestern Power Administration, an agency of the Department of the Interior."

The amendment recommended by the Senate Appropriations Committee was adopted by the Senate and the bill subsequently went to conference. The legislative history discloses that the conferees reported this amendment in disagreement. Subsequently the House receded from its disagreement to the amendment and concurred in the Senate amendment with an amendment which added the proviso in question to the law establishing the continuing fund. The Senate concurred in the amendment of the House to the Senate amendment, and the proviso was enacted into law. However, there was no discussion in the House or Senate concerning the proviso. Thus, it is not clear what the Congress had in mind when it adopted the conference report, other than what is provided in the clear and unambiguous language of the proviso.

The proviso differs from the amendment offered in the House and ruled out on a point of order, and the Senate amendment on which the conferees failed to agree, in that the proviso permits the use of the continuing fund to purchase power and rent transmission lines in amounts as may be approved annually in appropriation acts. The amendment offered in the House and the Senate amendment would have precluded the use of the continuing fund for such purposes.

Thus, as far as SPA is concerned the use of the continuing fund to purchase power and lease transmission lines from either REA cooperatives or private commercial utility companies would not contravene the intent of Congress as expressed in the proviso in question as long as expenditures from the continuing fund for such purposes were not in amounts in excess of those approved annually in appropriation acts. Moreover, since there was no discussion in the House or Senate concerning the purpose and intent of the language used in the proviso and nothing in the conference report thereon we are unable to determine whether consideration by REA of the arrangements with SPA as a basis for determining the feasibility of the Upshur loan contravenes the congressional policy behind the proviso amending the continuing fund provision.

As to whether an REA loan to a cooperative, the economic feasibility of which is dependent on payments to be made by SPA from its "continuing fund" to the cooperative for power and rental of transmission facilities, meets the feasibility requirements of section 4 of the Rural Electrification Act of 1936, as amended (RE Act), 7 U.S.C. 904, section 4, provides that REA loans "shall be on such terms and conditions relating to the expenditure of the moneys loaned and the security therefor as the Administrator shall determine." Section 4 requires that the REA Administrator find and certify that in his judgment the security for the loan is reasonably adequate and that the loan will be repaid within the time agreed. Presumably, in order to comply with these

requirements the Administrator of REA makes an evaluation of the proposed loan to ascertain whether it is "economically feasible" and if he so finds makes a determination to that effect.

Thus, under section 4 discretion is vested in the Administrator to determine whether a loan is economically feasible and his decision may not be challenged in the absence of evidence of an abuse of the discretion vested in him. Under existing law (16 U.S.C. 825-1) the continuing fund is available to cover such costs only in amounts as may be approved annually in appropriation acts and the Administrator would not be justified, in our opinion, in assuming that the present Congress or a future Congress will or will not appropriate funds or make funds available for a particular purpose. It would seem apparent that it would be an abuse of discretion by the Administrator to find that a loan is economically feasible if such finding of feasibility is clearly based as an essential factor, or payments for power or rental of transmission lines to be made by SPA over a period of years from its continuing fund to the cooperative, without which payments the loan would not be economically feasible and could not be repaid by the cooperative.

However, in connection with the Upshur loan we have been advised by REA as follows:

"While the REA Administrator's feasibility determination was partially based on the SPA arrangement, and such partial reliance clearly appears to have involved an appropriate exercise of his statutory discretion, due recognition was, of course, given to the continuing fund contingency associated with that arrangement. If entered into, the contract would be designed to achieve the benefits of maximum utilization of the proposed generating and transmission facilities through interconnection and power exchange. It is recognized in the electric industry that integration arrangements among power suppliers provide a means of bringing to the ultimate consumer, of all parties to such an arrangement, the benefits of the reliable, abundant, low-cost power made possible by the constantly improving technology of the industry. From a purely economic and technological point of view, therefore, it is to be assumed that, if operations under the SPA arrangement are suspended or terminated, alternative arrangements would be available with other suppliers. The nature of such alternative arrangements and their financial consequences cannot, of course, be forecast with precision. Nevertheless, it would appear clear that, based on his knowledge of the technological and economic factors referred to, the Administrator could reasonably assume that such alternative arrangements would be available and would significantly reduce, if not wholly eliminate, the adverse effect of suspension or termination of continuing fund payments.

"Finally, a crucial element of every feasibility judgment made by the REA Administrator is the forecast of use by the borrower's consumers and of the revenues which will be derived from that use. Repayment of REA loans is, in the final analysis, dependent on consumer usage and related revenues. To the extent that suspension or termination of the contemplated SPA arrangement may result in increased power costs, Upshur may be required to increase rates to its ultimate consumers in order to maintain revenues at a level sufficient to repay its loan."

In view of the foregoing we cannot say that the Upshur loan would not meet the feasibility requirements of section 4 of the RE Act.

Question No. 2:

"2. One of the criteria used in justifying the Upshur loan was to secure the cooperative's territorial integrity (REA statement at page 2555 of the House hearings on Agricul-

tural Appropriations, 1964). Does the use of this criterion in connection with this loan contravene the congressional policy of the unserved persons clause to prevent federally financed competition with existing utilities?"

Section 4 of the RE Act authorizes the Administrator of REA to make loans for the purpose of constructing generation and transmission facilities to furnish electric energy to persons in rural areas not receiving central station service. Assuming the loan is economically feasible, the only limitation in the RE Act on the authority of the Administrator to make this type of loan is that the loan must be for the purpose of serving unserved persons in rural areas.

Although the literal language of section 4 would appear to preclude the making of a loan to serve a person who is receiving central station service, REA has long interpreted the RE Act to authorize the making of generating and transmission loans to serve persons already receiving central station service who obtained such service initially through REA financed facilities. We understand that it is the position of REA that the authority to finance service to RE Act beneficiaries is not exhausted by the loan for distribution facilities which initially provided central station service for them. REA is of the view that its authority to make loans to serve unserved persons is a continuing authority to finance additional facilities authorized by the RE Act to provide for the beneficiaries' increasing power requirements and includes the authority to finance generation and transmission facilities for their benefit at the time deemed advantageous for them. We are advised that pursuant to this interpretation of the RE Act, REA has made such loans for years with the full knowledge and approval of the Congress.

In connection with the authority of the Administrator to continue to make loans for the benefit of persons already receiving central station service who obtained such service initially through REA financed facilities your attention is invited to Senate Resolution 21, 86th Congress, 1st session, which reads, in part, as follows:

"That it is the sense of the Senate that the Rural Electrification Act of 1936, as amended, continue to be interpreted to authorize * * * loans for the construction of facilities to (1) bring electric service to persons in those areas defined in the act as rural areas if such persons are in fact not receiving central station service, and (2) continue to serve those who are presently being served with the aid of funds loaned under the act."

Also, REA's interpretation of the RE Act was, in effect, approved by the U.S. District Court for the District of Columbia in *Kansas City Power and Light v. McKay*, 115 F. Supp. 402, wherein the court said:

"The exercise of any one of the first three above enumerated powers, in the court's opinion, does not exclude the others and does not prevent the concurrent or consecutive (later) exercise of another loan in connection with the development of a prior authorization. To construe the language otherwise would defeat the obvious purpose of the statute and would nullify, in most instances, the authority delegated by Congress, for, as a practical matter, Congress has repeatedly been advised and informed of REA policy and practice and has consistently given its approval to the administrative interpretation of the REA officials and others. Therefore, for the reasons stated above, the court is unable to conclude that the determination made by the Administrator based upon his specialized experience and information to the effect that repeated loans each of which, like the original loan, was made for the single ultimate purpose of supplying electrical service to persons under the circumstances existing in connection with the

loans involved, is in conflict with the powers delegated to his office by Congress to make loans 'to persons * * * who are not receiving central station service * * *.' Consequently, the court finds that the course pursued by the Administrator in authorizing the loan under discussion under this heading is not violative of the act and that the loan contracts do not violate the central station provision of the RE Act."

As far as we are aware the above-cited court decision constitutes the highest Federal judicial interpretation of the RE Act in connection with generation and transmission loans. The judgment of the district court in this case was subsequently vacated by the U.S. Court of Appeals for the District of Columbia (96 U.S. App. D.C. 273) and the complaint dismissed on the basis that plaintiff had no standing to sue.

The record indicates that the persons for whose benefit the Upshur loan is being made initially obtained central station service through REA-financed facilities.

In connection with generation and transmission loans it has been the policy of REA over the years to authorize such loans only under two conditions, or criteria, namely:

"A. Where no adequate and dependable source of power is available to meet the consumers' needs, or

"B. Where the rates offered by existing power sources would result in a higher cost of power for the consumers than the cost from facilities financed by REA."

We understand that REA has made generation and transmission loans for many years under this policy and that the Congress has made funds available for such loans with full knowledge thereof.

On May 31, 1961, REA added a third criterion under which it will approve generation and transmission loans (see REA Bulletin 20-6 dated May 31, 1961), namely:

"C. Where generation and transmission facilities are necessary to protect the security and effectiveness of REA-financed systems."

In connection with this third criterion the Administrator has stated that (p. 28, Senate hearings on agricultural appropriations for 1963):

"In considering applications for new REA-financed generation and transmission facilities, REA must consider the future security and effectiveness of the cooperative rural electric distribution systems to be served. This is important both to assure the Government full repayment of loans already advanced and to protect the growing investment of rural people in their cooperative systems.

"The future security of these systems requires that they continue to serve the areas they developed in good faith, areas which the utilities had long neglected and passed by without service. The future effectiveness of these systems depends upon their ability to serve the larger as well as the smaller loads (loads) in their areas without interference or restriction by unfriendly power suppliers. Serving the larger loads makes possible operating economies which increase the efficiency of the systems and pave the way for lower cost electric service to all rural users in their service areas.

"Reliance for wholesale power supply on a utility that at the same time admittedly seeks to serve at retail the territory of its wholesale customers, places the interests of the cooperative distribution system in jeopardy. When this situation exists against the background of persistent and demonstrated hostility of the power supplier, this jeopardy clearly becomes too great to tolerate."

The Administrator has also stated with respect to the third criterion that (p. 1629, House hearings on Department of Agriculture appropriation for 1963):

"Now the term 'security and effectiveness' is meant to cover the security of these REA-financed systems and their ability to survive.

'Effectiveness' is effectiveness in terms of doing the most efficient, most economical, and most favorable job for the farmers and the rural people that these system are set up to serve."

The record discloses that the Upshur loan was based on the second and third criteria set out in REA Bulletin 20-6. From the House hearings on the Department of Agriculture appropriations for 1964 (pp. 2504-2507, 2555-2558) it appears that because of certain actions on the part of Upshur's present power supplier the Administrator of REA determined that the loan in question was necessary (as far as pertinent here) in order to assure Upshur an adequate supply of power free from limitations imposed on Upshur by its present power supplier. A statement furnished the House subcommittee by REA on the Upshur loan contains the following statement (p. 2558 of the hearings):

"Upshur Rural Electric Cooperative cannot rely on SWEPC as a source of the power it needs to meet its financial obligation to the Government or its service obligations to its members."

From the last quoted statement it appears that the Administrator determined in connection with the so-called third criterion that the loan in question was necessary in order to enable the cooperative to continue to furnish central station service for the benefit of persons who are proper beneficiaries under the Rural Electrification Act, i.e., to persons who were unserved persons in rural areas and who initially obtained central station service through REA financed facilities. In other words the Administrator's statement indicates that without the loan Upshur may not be able to continue to furnish central station service for the benefit of Rural Electrification Act beneficiaries.

The Upshur loan recommendation approved by the REA Administrator states that the recommendation is based on a critical need for a continuing source of wholesale power free from constant threats to the security and effectiveness of the cooperatives. In connection with this justification for the loan, the loan recommendation mentions various actions by the Southwestern Electric Power Co. which are stated to have prevented the cooperatives from practicing utility responsibilities within their respective areas.

In view of the foregoing we cannot say that the use of the third criterion in connection with the Upshur loan contravenes the congressional policy of the unserved persons clause of section 4 of the Rural Electrification Act to prevent federally financed competition with existing utilities.

Your third question reads:

"3. The REA Administrator has stated that the Upshur loan would save Upshur more than three-fourths of a million dollars in power costs during the first 10 years the facilities are in operation. Since the interest rate charged on the loan is 2 percent and the interest rate paid by the Government is 4 percent, the Government subsidy on this loan for the first 10 years might be expected to be about 20 percent of \$9,170,000, or \$1,834,000. Is this correct and, if so, is this loan justifiable as a reasonable exercise of administrative discretion authorized by law?"

As to the first part of your third question, the interest cost to the Federal Government around the time of the loan approval for money obtained from outside sources for a term of about 30 years was about 4 percent. On the basis of the difference between the 4-percent interest cost paid by the Federal Government and the 2 percent to be paid by Upshur to REA and by REA to the U.S. Treasury we estimate that the excess interest cost to the Government on the \$9,170,000 loan over the 35-year loan term will be about \$4,411,000. On the same basis,

we estimate that during the first 10 years of the loan the excess interest cost to the Government will be about \$1,395,000.

Our computations of the interest cost to the Government take into consideration the fact that, except during the first 3 years, when principal repayments are deferred, quarterly repayments of the principal amount of the loan will be made by Upshur throughout the 35-year term of the loan. The interest cost of \$1,834,000 referred to by you apparently does not take into consideration the periodic amortization of loan principal. On the basis of our computations, the interest cost to the Government during the first 10 years of the loan (\$1,395,000) will be about \$622,600 more than the estimated savings of \$772,400 to the Upshur and Panola cooperatives from self-generation of their power requirements.

Concerning the second part of your third question, the REA Act authorizes the making of loans by the Administrator of REA for the purpose of furnishing electric energy to persons in rural areas not receiving central station service. Section 4 of the REA Act, as amended, provides that loans thereunder shall bear interest at the rate of "2 per centum per annum."

We find nothing in the REA Act, or in its legislative history, which would preclude or prohibit the making of a loan thereunder by the Administrator when the interest cost to the Government on the loan is substantially more than the power cost savings to be realized by the cooperative involved on account of the loan, if the purpose of the REA loan is to furnish electric energy to unserved persons in rural areas. Moreover, as indicated above, it has long been a policy of REA to approve generation and transmission loans on the basis that the rate offered by existing power sources would result in a higher cost of power for the consumers than the cost from facilities financed by REA, and this policy has been made known to the Congress. While an examination of the legislative histories of certain recent annual appropriation acts providing funds for REA indicates that some of the Members of Congress feel that generation and transmission loans should not be made unless the savings in power costs are substantial, we found nothing which could be construed as a statutory prohibition of generation and transmission loans where the cost to the Government is more than the savings in power costs to the REA-financed cooperative involved.

In view of the foregoing, we cannot say that the approval by the Administrator of an REA loan meeting all the requirements and conditions set forth in the REA Act is an unreasonable exercise of administrative discretion not authorized by law, because the power costs savings which will accrue to the cooperative on account of the loan will be substantially less than the interest costs to the Government on account of the loan.

Sincerely yours,
JOSEPH CAMPBELL.

STATEMENT SUBMITTED TO THE COMMITTEE BY
THE COMPTROLLER GENERAL, JULY 26, 1963

In addition to the information now being furnished the committee at least 30 days in advance of approval of loan applications for construction of generation facilities, the committee believes that the following explanatory data with regard to pending applications for both generation and major transmission loans would be helpful to the committee's evaluation of REA's loan authorization requests.

1. Description and estimated cost of the proposed generation facilities. Indicate if the proposed facilities are the initial or additional unit or units of a plant comprised of one or more units.

2. Description and estimated cost of proposed transmission facilities including any immediate or future plans to interconnect with other transmission systems.

3. Description of any long-range plans the applicant may have for construction of additional generation and transmission facilities and the estimated cost of the planned facilities.

4. Explanation of the applicant's reasons for seeking an REA loan.

5. Comparison of the estimated costs of generation by the applicant borrower with the cost of power available from existing suppliers.

6. The amount of electric energy which the applicant will cease to purchase from present power suppliers upon construction of the generating plant for which REA financing is being sought.

7. Summary of the efforts made by the applicant and by REA to obtain the applicant's power and energy requirements from existing power suppliers and the reasons why such efforts have not been successful.

8. Explanation of the extent to which the feasibility of the requested loan for generation and transmission facilities depends upon the use of a portion of the facilities by others (including Federal power marketing agencies).

9. Details of the applicant's plans to sell or otherwise make available any of the power and energy from the proposed generation facilities to others (including Federal power marketing agencies).

10. Names of State agencies and commissions having jurisdiction over the applicant borrower.

The committee requests the Administrator, Rural Electrification Administration, in connection with each generation and major transmission loan application, to submit the above additional information and any other significant information concerning the application.

The committee also instructs the Administrator, Rural Electrification Administration, to examine into all complaints which may come to his attention concerning territorial disputes between REA cooperatives and commercial power companies and report to the committee in January of each year the salient facts involved, the disposition of the complaints, and the basis for such dispositions.

COMPTROLLER GENERAL OF THE
UNITED STATES,
September 20, 1963.

Hon. SPESSARD L. HOLLAND,
Chairman, Subcommittee on Department of
Agriculture and Related Agencies, Com-
mittee on Appropriations, U.S. Senate.

DEAR MR. CHAIRMAN: Herewith is a report on our examination into the estimates of the Rural Electrification Administration, Department of Agriculture, pertaining to the cost of purchased and self-generated electric power which were used, among other things, by the agency as a basis for justifying a \$9,170,000 loan to the Upshur Rural Electric Cooperative Corp., (Upshur) of Gilmer, Tex., approved February 14, 1963. Our review was made pursuant to your request dated July 22, 1963.

We also examined into proposed arrangements between the Southwestern Power Administration, Department of the Interior, and Upshur involving interchange of power and leasing of transmission lines to ascertain whether they involve any subsidy from the Southwestern Power Administration to Upshur. In accordance with your request, we interviewed Mr. Douglas G. Wright, Administrator, Southwestern Power Administration, to ascertain the basis for various power cost

estimates used by him in his testimony during hearings on public works appropriations, 1964, held by the Subcommittee on Public Works, Senate Committee on Appropriations.

According to the Rural Electrification Administration, the proposed arrangements between Upshur and the Southwestern Power Administration will benefit Upshur by enabling it to obtain standby generating capacity so that when the generating plant is not in use the customers of Upshur will have a source of power. On the basis of information in the files of the Rural Electrification Administration at the time of the loan approval, it appears that the facilities for self-generation of power to be financed by the \$9,170,000 loan and the proposed arrangements between Upshur and the Southwestern Power Administration would make possible combined savings of \$772,400 to Upshur and the Panola-Harrison Electric Cooperative, Inc. (Panola), of Marshall, Tex., during the 10-year period 1965 through 1974. Panola is a distribution cooperative which plans to obtain a part of its power requirements from Upshur. However, a recent offer, dated July 12, 1963, by the Southwestern Electric Power Co. to amend its contracts with the cooperatives would reduce the combined savings possible to Upshur and Panola under the self-generation plan from a total of \$772,400 to \$312,600 during the same period.

Under one proposed arrangement, the Southwestern Power Administration will buy surplus generating capacity from Upshur at a price of \$9 per kilowatt per year which, according to the estimates of the Rural Electrification Administration, will be about the same as Upshur's cost of such generating capacity. Under another proposed arrangement, Upshur and the Southwestern Power Administration will exchange electrical energy and will annually balance off such exchanges. Each party will pay the other party at the rate of 2.25 mills per kilowatt-hour for energy that it is not possible to balance off. According to the Rural Electrification Administration and Mr. Wright, the 2.25 mills per kilowatt-hour should be about equal to Upshur's fuel cost.

Our review of the Rural Electrification Administration files showed that Upshur's purchased-power cost of 8.47 mills per kilowatt-hour, as estimated by the agency, differed from the cost of 6.2 mills per kilowatt-hour referred to by Mr. Wright during the Senate Appropriations Committee hearings. The difference is principally attributable to pertinent cost factors which were contained in the Rural Electrification Administration's estimate but which were not included by Mr. Wright in his estimate.

The information obtained during our examination indicated that the proposed arrangements between the Southwestern Power Administration and Upshur would be beneficial to both parties; however, it did not establish the existence of, or the intent to provide, a subsidy to Upshur by the Southwestern Power Administration.

The various aspects of the subjects covered by our examination are discussed in greater detail in the accompanying report. Certain background information pertaining to the Upshur loan was set forth in our letter to you of August 20, 1963. However, to enable independent use of this report to the extent deemed desirable, we are repeating some of this information.

This report is the last of the items being furnished to you pursuant to your request dated July 22, 1963.

Sincerely yours,

JOSEPH CAMPBELL.

EXAMINATION INTO CERTAIN ASPECTS OF A
LOAN TO UPSHUR RURAL ELECTRIC COOPER-
ATIVE CORP., GILMER, TEX., BY RURAL ELEC-
TRIFICATION ADMINISTRATION, DEPARTMENT
OF AGRICULTURE

(Report to the Subcommittee on Department of Agriculture and Related Agencies, Committee on Appropriations, U.S. Senate, by the Comptroller General of the United States, September 1963)

INTRODUCTION

Pursuant to a request dated July 22, 1963, from the chairman, Subcommittee on Department of Agriculture and Related Agencies, Senate Committee on Appropriations, and General Accounting Office has examined into the estimates of the Rural Electrification Administration (REA), Department of Agriculture, pertaining to the cost of purchased and self-generated electric power which, among other things, were used by the agency as a basis for justifying a \$9,170,000 loan to the Upshur Rural Electric Cooperative Corp. (Upshur) of Gilmer, Tex., approved February 14, 1963. We also examined into proposed arrangements between the Southwestern Power Administration (SPA), Department of the Interior, and Upshur involving interchange of power and leasing of transmission lines to ascertain whether they involve any subsidy from SPA to Upshur.

Prior to approval of the loan, Upshur was a distribution-type cooperative that obtained all its power requirements from the Southwestern Electric Power Co., of Shreveport, La.

The loan of \$9,170,000 was approved to partially finance construction of new generation, transmission, and distribution facilities, to be used by Upshur for self-generation of its power requirements and to provide a portion of the power requirements of another distribution-type cooperative, the Panola-Harrison Electric Cooperative, Inc. (Panola), of Marshall, Tex., which also obtained all of its power requirements from the Southwestern Electric Power Co.

The loan to Upshur was approved for a term of 35 years at an interest rate of 2 percent a year. In approving the loan, the Administrator, REA, made a determination that the loan was justified on the basis of a critical need by the cooperatives for a continuing source of wholesale power free from constant threats to their security and effectiveness and on the basis that the cost of self-generated power to the cooperatives would be less than the cost of purchased power.

Our examination, which was made in Washington, D.C., involved a review of records of REA, discussions with officials of REA, and an interview with Mr. Douglas G. Wright, Administrator, SPA.

A list of the principal officials of the Department of Agriculture and the Rural Electrification Administration responsible for administration of the electric loan program appears as the appendix.

Further details on specific aspects of the Upshur loan examined into follow.

BACKGROUND INFORMATION ON THE LOAN TO UPSHUR

On February 14, 1963, the Administrator, REA, approved a loan of \$9,170,000 to Upshur for a term of 35 years. The loan, which bears interest at 2 percent a year, was approved for the purpose of partially financing the construction of a 38,000-kilowatt net capability steam generating plant near Ore City, Tex., 190 miles of 138-kilovolt transmission line, 65 miles of 69-kilovolt transmission line, 78 miles of distribution line, distribution system improvements, a switching station, and four substations. In addition to

the funds received from the REA loan of \$9,170,000, Upshur intends to use a minimum amount of \$700,000 of its own general funds toward financing the construction of the above-mentioned facilities.

According to REA, following completion of the generation and transmission facilities, Upshur expects in 1965 to take its power requirements from the new generating plant. In addition, Panola expects to take a portion of its power requirements (estimated as over one-half by REA) from the Upshur plant. At present both cooperatives receive their power supply from the Southwestern Electric Power Co.

REA officials have stated that justification for the loan to Upshur was based on a critical need for a continuing source of wholesale power free from constant threats to the security and effectiveness of the Upshur and Panola cooperatives. In this connection the agency has stated that the Southwestern Electric Power Co. has hindered Upshur in its efforts to extend electric service to unserved rural consumers and has in several instances take over consumers served by the cooperative.

Another justification given by REA for the loan is the amount of savings the generation and transmission facilities will make possible for Upshur and Panola. These savings, estimated by REA to amount to \$772,400 over the 10-year period 1965 through 1974, are based, in part, on planned operations under proposed arrangements between Upshur and the Southwestern Power Administration.

PROPOSED ARRANGEMENTS BETWEEN UPSHUR AND THE SOUTHWESTERN POWER ADMINISTRATION

Terms of the proposed arrangements between Upshur and SPA are contained in REA files and in correspondence between Upshur and SPA which took place in November 1962. According to these sources, it is proposed that SPA will lease for a term of 40 years the 190 miles of 138-kilovolt transmission line to be constructed by Upshur between the Upshur generating plant at Ore City, Tex., and the Brown, Okla., switching station where a 138-kilovolt transmission line of SPA is located. Under the proposed lease SPA will pay Upshur all fixed costs (estimated at \$91,000 per year by REA), including debt service, taxes, and necessary insurance, on about 120 miles of the line extending from the Brown switching station to a point near the proposed Broken Bow Dam project (Corps of Engineers, Department of the Army) and thence to the Red River, an area where SPA expects to serve future commercial consumers. Upshur will pay all fixed costs on the remaining 70 miles of line from the Red River to its proposed generating plant. The SPA will operate, maintain, and make necessary replacements on the entire 190 miles of 138-kilovolt transmission line.

It is expected that the proposed lease will provide that Upshur have priority over all others to use any remaining portion of the capacity of the transmission line for its own operations after the contractual obligations of SPA and the cooperative have been fulfilled. Upshur will also have the right under a power exchange arrangement to obtain generating capacity from SPA to serve Upshur's customers at any point on the SPA system where there is a point of connection with such customers, at no transmission cost to Upshur. SPA will obtain from the generating plant of Upshur an equal amount of generating capacity in return.

The SPA will, under the proposed arrangement, furnish Upshur with standby generating capacity so that when Upshur's generating plant is not in use its customers will have a source of power. In consideration for this standby generating capacity, Upshur will allocate 10 percent (3,800 kilowatts) of its generating plant capacity to SPA. Electric energy from SPA to Upshur and from Upshur to SPA will be transmitted over the proposed 138-kilovolt transmission line.

It is proposed that SPA will, in addition to leasing the 138-kilovolt transmission line from Upshur, purchase from Upshur surplus generating capacity from the new generating plant at the annual rate of \$9 per kilowatt in accordance with a schedule of surplus capacity to be determined by the parties. A loan study prepared by REA shows that the surplus capacity in 1965 is estimated to be 16,600 kilowatts (44 percent of plant capability) and that it will decline to 1,900 kilowatts (5 percent of plant capability) in 1974. The study shows also that, during the 10-year period 1965 through 1974, the total surplus capacity of the Upshur plant is estimated to be 94,600 kilowatts which, at the proposed annual rate of \$9 per kilowatt, will result in surplus capacity sales to SPA amounting to \$851,400. According to REA, the costs allocable to the surplus generating capacity of Upshur will be about \$9 per kilowatt.

SPA and Upshur contemplate that Upshur's generating plant will not be required to operate at a capacity of less than 10,000 kilowatts (26 percent of plant capability) between the hours of 10 p.m. and 6 a.m. on weekdays and all day on Saturdays, Sundays, and holidays. When the generating plant is not in operation, Upshur will use the generating capacity of SPA supplied by means of the 138-kilovolt transmission line provided for in the REA loan to Upshur.

Upshur and SPA expect to operate the generation facilities in such a way that energy exchanges between them will be balanced off annually. In case it is not possible to balance off energy annually, either party will be compensated annually, during the period 1965 to 1970, for the net balance of energy due from the other party at the rate of 2.25 mills per kilowatt-hour. The rate will be adjusted on June 30, 1970, and at the end of each 5-year period thereafter, to take into consideration the actual increase in fuel cost to Upshur above the average fuel cost during the period ending on such date. Mr. Douglas G. Wright, Administrator, SPA, advised us in an interview on July 24, 1963, that the proposed energy charge of 2.25 mills per kilowatt-hour for energy which cannot be balanced off annually probably will not result in a gain to Upshur because Upshur's actual fuel costs will, he believes, be about 2.25 mills per kilowatt-hour. Our review of REA files showed that the agency estimated that fuel costs would be 2.223 mills per kilowatt-hour during the years 1965 through 1969 and 2.667 mills per kilowatt-hour during the years 1970 through 1974.

Mr. Wright emphasized, during our interview with him, that the proposed arrangements between Upshur and SPA had not been consummated and that the final arrangements may have terms different than those that have been proposed.

COMPARISON BETWEEN ESTIMATED COST TO UPSHUR OF GENERATING AND OF PURCHASING POWER AND ENERGY

According to a loan study prepared by REA, the cost of self-generated power and energy for Upshur will average 7.62 mills per kilowatt-hour during the 10 years, 1965 through 1974. The study also showed that during the same period Upshur could purchase power from the Tex-La Electric Cooperative, Inc. (Tex-La), of Lafayette, La., at an average cost of 8.47 mills per kilowatt-hour. REA and the Southwestern Electric Power Co. agreed that Upshur would pay less for power purchased from Tex-La than for power purchased directly from the company.

Tex-La, according to information in REA files, is a cooperative that was organized by a group of electric cooperatives in east Texas and Louisiana and by other preference customers of SPA for the purpose of providing a group-purchasing organization which could combine power company thermal energy with SPA hydroelectric peaking power in order to secure the lowest power supply

costs possible. Tex-La and SPA entered into an agreement in May 1960 whereby the electric cooperatives would receive Federal hydroelectric power and energy under rights granted to preference customers by section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s). In addition, Tex-La entered into an agreement with the Southwestern Electric Power Co. providing for the purchase by the company of the hydroelectric power and energy purchased by Tex-La from SPA, and the sale by the company to Tex-La of firm power and energy for the members of Tex-La. However, all of the members of Tex-La had not signed power sales contracts offered by Tex-La. Upshur and Panola did not consider the contract terms offered to Tex-La by the Southwestern Electric Power Co. satisfactory, and, as stated previously, they have continued to purchase their power directly from the power company at a slightly higher cost than charged by Tex-La.

Table I and II which follow are summaries of REA data showing the estimated costs of power and energy during the 10 years, 1965 through 1974, to Upshur under the proposed self-generation plan and under the Tex-La purchase power plan, respectively. The total net cost for 745,300,000 kilowatt-hours under the self-generation plan as shown in table 1 is \$5,678,816 for the 10 years, 1965 through 1974, which is 7.62 mills per kilowatt-hour delivered to distribution load centers. This net cost reflects payments of \$1,468,522 to be made by Panola to Upshur for power and energy and the surplus generating capacity payments of \$851,400 to be paid to Upshur by the SPA. Also included in the 10-year costs is an amount of \$1,062,000 for 116.7 miles of 69-kilovolt transmission line to transmit energy to distribution load centers of Upshur.

Costs of \$526,700 related to the 70 miles of 138-kilovolt transmission line that will be paid by Upshur (depreciation, taxes, insurance, and interest) are shown in table I. Since SPA will pay all other costs (maintenance and replacements) related to the 70 miles of line and all costs related to the remaining 120 miles of 138-kilovolt transmission line, these costs are not included in table I. As stated previously, REA estimates that SPA will pay Upshur \$91,000 a year to cover all fixed costs including debt service, taxes, and necessary insurance on about 120 miles of the line.

TABLE I.—Upshur Rural Electric Cooperative Corp., total estimated cost of self-generated power and energy for the years 1965 through 1974¹

	Amount	Mills per kilowatt-hour ²
Generation costs:		
Labor, maintenance, materials, operations, supervision, and engineering.....	\$1,250,000	-----
Depreciation.....	1,339,000	-----
Taxes and insurance.....	212,000	-----
Interest.....	1,016,140	-----
Administrative and general expenses.....	50,000	-----
Fuel cost.....	2,543,897	-----
REA addition error.....	-999	-----
Total, generation costs.....	6,410,038	-----
138-kilovolt transmission line costs (covering fixed costs related to 70 miles of the 190 miles of 138-kilovolt line to be constructed):		
Depreciation.....	259,000	-----
Taxes and insurance.....	55,500	-----
Interest.....	212,200	-----
Total 138-kilovolt transmission line costs.....	526,700	-----
Total costs of generation and 138-kilovolt transmission line.....	6,936,738	-----

Footnotes at end of tables.

TABLE I.—Upshur Rural Electric Cooperative Corp., total estimated cost of self-generated power and energy for the years 1956 through 1974¹—Continued

	Amount	Mills per kilowatt-hour ²
Less costs to be paid by— Panola-Harrison Electric Cooperative, Inc., of Marshall, Tex., for power and energy	\$1,468,522	-----
Southwestern Power Administration for surplus capacity	851,400	-----
Total deductions	2,319,922	-----
Net generation cost and 138-kilovolt transmission line costs to Upshur	4,616,816	6.20
Transmission costs of 116.7 miles of 69-kilovolt transmission line	1,062,000	1.42
Net generation and transmission cost to Upshur load centers	5,678,816	7.62

¹ Prepared from REA records without verification.

² Based on a total of 745,300,000 kilowatt-hours.

As is shown in table II, if Upshur were to purchase power and energy from Tex-La during the 10-year period 1965 through 1974, the total cost is estimated by REA to be \$6,309,554, which is 8.47 mills per kilowatt-hour delivered to distribution load centers for a total of 745,300,000 kilowatt-hours. Under a Tex-La contract the demand charge for the 10 years, 1965 through 1974, would be \$2,167,200 for Upshur (\$14.40 per kilowatt per year) and the energy charge for the 10 years would be \$2,558,160 (\$0.0033 per kilowatt-hour). The amount of the estimated fuel adjustment of \$494,134 shown in table II was based on statements made in August 1962 by the president of the Southwestern Electric Power Co. that fuel costs would be higher in the future. Part of the energy (REA estimates about 25 million kilowatt-hours) which Upshur would receive annually from Tex-La would be hydroelectric energy free from fuel adjustment. Also included in the total purchase costs is the 10-year cost of \$1,040,060 for 112.7 miles of 69-kilovolt transmission line.

TABLE II.—Upshur Rural Electric Cooperative Corp., total estimated cost of power and energy purchased from the Tex-La Electric Cooperative, Inc., for the years 1965 through 1974¹

	Amount	Mills per kilowatt-hour ²
Demand charges, at \$14.40 per kilowatt per year	\$2,167,200	2.91
Energy costs at \$0.0033 per kilowatt-hour (before line losses)	2,558,160	3.43
Fuel adjustment	494,134	.66
Administrative and general expenses	50,000	.07
Total cost of power delivered to Upshur	5,269,494	7.07
Transmission cost of 112.7 miles of 69-kilovolt line	1,040,060	-----
Total purchased-power costs to Upshur load centers	6,309,554	8.47

¹ Prepared from REA records without verification.

² Based on a total of 745,300,000 kilowatt-hours.

On the basis of the estimated amounts shown in tables I and II, REA concluded that Upshur would save about \$630,700 during the 10-year period 1965 through 1974 under the self-generation plan. REA also concluded, on the basis of similar estimates, that Panola would save about \$141,700 by obtaining a portion of its power requirements from the Upshur generation facilities.

INTERVIEW WITH MR. DOUGLAS G. WRIGHT, ADMINISTRATOR, SOUTHWESTERN POWER ADMINISTRATION

As requested by the chairman, Subcommittee on Department of Agriculture and Related Agencies, Senate Committee on Appropriations, we interviewed Mr. Douglas G. Wright, Administrator, SPA, on July 24, 1963, concerning statements made by him on June 5, 1963, pertaining to estimates of power costs and other matters related to the REA loan to Upshur, during hearings on public works appropriations, 1964, held by the Subcommittee on Public Works, Senate Committee on Appropriations. Our interview was held for the purpose of ascertaining the basis for the cost estimates used in Mr. Wright's testimony. A summary of statements made by Mr. Wright and our comments on his statements follow:

During the hearings Mr. Wright, in response to a question as to the comparative costs of purchased power and self-generated power, stated that he knew of no generating plant in the country which, without a great deal of integration with companies, delivers power cheaper than 8 mills per kilowatt-hour. In our interview with Mr. Wright, he advised us that, in his opinion, no generation and transmission type of cooperative can generate its own energy at a cost of less than 7.5 to 8 mills per kilowatt-hour. We note that under the self-generation power plan for Upshur the net generation and transmission cost to Upshur will average, according to REA and as indicated in table I on page 11, 7.62 mills per kilowatt-hour during the 10 years, 1965 through 1974. REA's cost estimate of 7.62 mills per kilowatt-hour is, therefore, within the range of 7.5 to 8 mills per kilowatt-hour which Mr. Wright advised us would be the minimum self-generation cost, although somewhat less than the 8 mills per kilowatt-hour cost to which Mr. Wright referred during the hearings.

In connection with a discussion as to what it would cost Upshur if it were to purchase power from Tex-La, Mr. Wright stated during the hearings that the cooperatives buying their power under the Tex-La contract paid 6.08 mills per kilowatt-hour in 1962. He stated also that Upshur could purchase power and energy for 6.2 mills per kilowatt-hour. In our interview with Mr. Wright, he stated that the 6.08 mills per kilowatt-hour was the average rate paid by cooperatives that bought energy from Tex-La in 1962. We reviewed the 1962 power cost invoices, copies of which are contained in REA files, of four cooperatives that obtained part of their power and energy requirements under the Tex-La arrangement in which the Southwestern Electric Power Co. participated. These invoices, which covered the period December 20, 1961, to December 20, 1962, showed an average cost of 6.25 mills per kilowatt-hour, which is slightly more than the 6.08 mills per kilowatt-hour referred to by Mr. Wright as the cost of Tex-La energy. The total purchased-power cost for Upshur of 8.47 mills per kilowatt-hour, estimated by REA, and as shown in table II on page 12, relates to the 10 years, 1965 through 1974, and includes 0.66 mills for estimated increases in fuel costs, 1.4 mills for the expenses of a 69-kilovolt transmission line, and 0.07 mills for administrative and general expenses. Mr. Wright did not make allowances for these cost factors in arriving at his cost estimate of 6.2 mills per kilowatt-hour.

With regard to REA's provision for estimated increases in fuel costs, Mr. Wright stated during our interview with him that, subsequent to approval of the Upshur loan by REA, fuel costs in the Upshur area had been stabilized. As stated previously, at the time of the loan approval in February 1963 REA included in Upshur's purchased-power costs the estimated increases in fuel costs on

the basis of statements made by the president of the Southwestern Electric Power Co. in August 1962 that the company's fuel costs would increase in the years 1962-70. Additional comments concerning the stabilization of fuel costs appear on pages 19 to 21.

With regard to REA's provision for estimated expenses of construction of 69-kilovolt transmission line, Mr. Wright advised us that he believes power deliveries to the load centers of Upshur could be accomplished under the Tex-La contract without the 69-kilovolt transmission line. In this connection an REA official advised us that the Tex-La contract, under which cooperatives get power from the Southwestern Electric Power Co., is vague with respect to the addition of delivery points for power and energy for the cooperatives. This official advised us also that even if it were not essential for Upshur, under the Tex-La contract, to construct the 69-kilovolt line to assure delivery of power to its distribution load centers, Upshur would still want to construct the line rather than have the power company do so because experience has proven that the company might attempt to serve electrical loads from any lines it constructs in Upshur's service area.

He stated that the power company might establish delivery points in such a way that it would be difficult for Upshur to serve large electrical loads. We were further advised by the REA official that other cooperatives had not been able to get adequate delivery of power by the power company to their distribution load centers under the Tex-La contract. Our review of information in REA files showed that, at the time of REA approval of the \$9,170,000 loan on February 14, 1963, Upshur had obtained prior REA loans to finance the construction of 53 miles of 69-kilovolt transmission line. According to the REA official, these 53 miles of transmission line will not be adequate to meet the increasing power requirements of Upshur.

In response to our inquiry concerning the \$9 per kilowatt per year which it is proposed that SPA will pay Upshur for surplus generating capacity of the new plant, Mr. Wright stated that the \$9 per kilowatt per year will be beneficial to SPA. He stated also that SPA charges its customers \$14.40 per kilowatt per year for generating capacity from the SPA system. However, he pointed out that SPA will not benefit by the full \$5.40 difference between these two amounts since SPA must incur interconnection and marketing costs in order to sell generating capacity to others.

On the basis of our discussion with Mr. Wright and our review of REA files, it appears that the difference between the 8.47 mills per kilowatt-hour estimated by REA to be the cost of purchased power to Upshur from Tex-La and the cost of 6.2 mills per kilowatt-hour estimated by Mr. Wright is attributable almost entirely to expenses of fuel costs, the 69-kilovolt transmission line, and administrative and general expenses, for which Mr. Wright did not make allowance in his estimate. Certain developments have occurred, however, since the date of approval by the REA Administrator of the \$9,170,000 loan to Upshur which have a bearing on costs which Upshur would have to pay if it were to purchase power under the Tex-La contract. A discussion of these developments follows.

CURRENT STATUS OF TEX-LA ARRANGEMENTS

In a letter dated July 12, 1963, to the Administrator, REA, the president of the Southwestern Electric Power Co. stated that he had met with representatives of Tex-La and that they had worked out an amendment to the rate schedule in the contract under which Upshur would be served were it to buy power under the Tex-La arrangement. He stated that Tex-La would in due course present the amendment to the Administrator, REA, for approval.

We also noted in the REA files a letter dated July 12, 1963, from the president of

the power company to the president of Tex-La. In this letter the power company president stated that since the price of gas to the company is fixed for some years, an agreement had been reached which would prevent fuel costs under the Tex-La arrangement from exceeding 17 cents per million B.t.u.'s. In the same letter the president stated that the company will allow the cooperatives a discount of 5 cents per kilowatt per month at 69-kilovolt points of delivery where the demand is more than 1,000 kilowatts.

Under the existing Tex-La arrangement, cooperatives that buy their power and energy from Tex-La must, according to REA, pay more for their energy when the cost of fuel to the Southwestern Electric Power Co. rises. The effect of the 17 cents per million B.t.u. provision mentioned in the power company letter of July 12, 1963, to the president of Tex-La, therefore, would be to put a ceiling on increases in the cost of energy to the cooperatives resulting from rising fuel costs of the company.

In making a comparison of Upshur's cost of power and energy purchased from Tex-La with the cost of self-generated energy, REA assumed that in the 10 years, 1965 through 1974, the cost of energy bought from Tex-La would be subject to adjustment for increases in fuel cost. The Tex-La contract on which the comparison was based provided, in effect, that the annual cost of energy to the cooperatives (except for the cost related to a total of 107 million kilowatt-hours of hydroelectric energy) would rise as the cost of fuel to the company increased above 15 cents per million B.t.u. The agency's estimates of fuel adjustment costs to Upshur during the 10 years, 1965 through 1974, were based on statements made by the president of the power company in August 1962 that the company's fuel costs would increase during the years 1962 through 1970.

On the basis of the proposed amendment to the Tex-La contract that would limit the fuel adjustment to 17 cents per million B.t.u., we estimate that the cost of purchased power to Upshur would be \$347,300 less during the years 1965 through 1974 than the cost of purchased power as estimated by REA when the loan to Upshur was approved and that it would be \$112,500 less to Panola. The effect of the proposed amendment, therefore, would be to reduce the estimated savings to Upshur from \$630,700 to \$283,400 for the 10-year period 1965 through 1974 under the self-generation plan and the savings to Panola from \$141,700 to \$29,200 during the same period.

We did not evaluate the effect of the power company's proposed allowance of 5 cents per kilowatt per month at the 69-kilovolt points of delivery since the amount of any possible savings under this allowance would depend upon the number of such delivery points to be established in the future and the electricity demand at all such delivery points. An official of REA advised us that any savings under this proposed change would be small in comparison to the savings possible under the proposed amendment for fuel adjustments.

We were advised by an REA official that as of July 29, 1963, the power company's proposed amendments to the Tex-La contract had not been submitted by Tex-La to REA for approval.

CONCLUSION

According to REA, the proposed arrangements between Upshur and SPA will benefit Upshur by enabling it to obtain standby generating capacity so that when the generating plant is not in use the customers of Upshur will have a source of power. On the basis of information in REA files at the time of the loan approval, it appears that the facilities for self-generation of power to be financed by the \$9,170,000 loan, and the proposed arrangements between Upshur and SPA

would make possible a combined savings of \$772,400 to the Upshur and Panola cooperatives during the 10-year period 1965 through 1974. However, a recent offer dated July 12, 1963, by the Southwestern Electric Power Co. to amend its contracts with the cooperatives would reduce the combined savings possible to Upshur and Panola under the self-generation plan from a total of \$772,400 to \$312,600 during the same period.

Under one proposed arrangement, SPA will pay Upshur \$9 a year per kilowatt for surplus generating capacity of the new generating plant. The total payments to Upshur by SPA for this purpose during the years 1965 through 1974 were estimated by REA to amount to \$851,400. According to REA, the generating capacity costs allocable to the surplus capacity will be about \$9 per kilowatt.

Another proposed arrangement between Upshur and the SPA calls for settlement annually of the net balance of energy exchanged by them. Each party will be paid 2.25 mills per kilowatt-hour for the net balance due from the other party. According to REA and Mr. Wright, the 2.25 mills per kilowatt-hour should be about equal to Upshur's fuel cost.

Our review of REA files showed that Upshur's purchased-power cost of 8.47 mills per kilowatt-hour, as estimated by REA, differed from the cost of 6.2 mills per kilowatt-hour referred to by Mr. Wright during the Senate Appropriations Committee hearings. The difference is principally attributable to cost factors which were contained in the REA estimate as heretofore described, but which were not included by Mr. Wright in his estimate.

The information obtained during our examination indicated that the proposed arrangements between SPA and Upshur would be beneficial to both parties; however, it did not establish the existence of, or the intent to provide, a subsidy to Upshur by the Southwestern Power Administration.

APPENDIX

Principal officials of the Department of Agriculture and the Rural Electrification Administration responsible for administration of the electric loan program

	Tenure of office	
	From—	To—
DEPARTMENT OF AGRICULTURE		
Secretary of Agriculture: Orville L. Freeman.	January 1961.	Present.
Assistant Secretary, Rural Development and Conservation: John A. Baker. ¹	August 1962.	Do.
RURAL ELECTRIFICATION ADMINISTRATION		
Administrator: Norman M. Clapp.	March 1961.	Do.
Deputy Administrator: Richard A. Dell.	-----do-----	Do.
Assistant Administrator, Electric: Richard H. Wood.	April 1961.	Do.
Assistant Administrator, Operations: John W. Scott.	August 1961.	Do.
Director, Power Supply Division: Hoburg B. Lee.	-----do-----	Do.
Controller: Leslie Surginer.	July 1961.	Do.

¹ Designated as Director of Rural Development and Conservation prior to Aug. 6, 1962, and Director of Agricultural Credit prior to July 10, 1962.

Mr. HOLLAND. Mr. President, prior to the subcommittee markup on the Agricultural appropriation bill, each subcommittee member was provided all the foregoing information, then available, together with other supplemental information. When the subcommittee came to consider the proposed report language at its meeting on August 23, a draft of

such report language was read to the members, and there followed a brief discussion of the proposed language. It was decided, at that subcommittee meeting, that information proposed to be furnished to the committee should be limited to major transmission loans and that for loans for generating purposes it be limited to applications in excess of \$2 million. In addition, language implying that the committee might conduct hearings on a pending loan application was discussed, and that language was recommended to be deleted.

The subcommittee met again on September 11, at which time it considered the revised language for the committee report. At the conclusion of this meeting of the subcommittee, there was pending a further modification of this language which I personally favored and which was printed in committee print form for consideration by the full committee. This has been designated as Committee Print "A" Revised, the form which I personally recommended for the committee report.

Mr. President, I offer for the RECORD at this point the language for the committee report known as Committee Print "A" Revised—which are the words suggested by myself as chairman of the subcommittee. I believe that this language—while essentially the same as the language adopted by the so-called Humphrey substitute, as amended—and which is the text of the committee report on pages 27–29, would in the long run have been more satisfactory.

The essential differences, as Members of the Senate will note if they review the RECORD tomorrow and compare it with the language contained in the committee report, is that Committee Print "A" Revised took a firmer stand than the language adopted in regard to the consideration and approval of loans, which are contingent upon a future loan for their feasibility, or in connection with a loan under which the cooperative borrower would enter into a leasing arrangement which contemplated the ultimate transfer of facilities which it developed or acquired as a result of a loan to another cooperative or other agency not eligible to borrow directly from the REA.

Another difference between the 2 texts was that instead of furnishing to the Congress and to the committees at the time of the approval of the loan the 11 points of information covered on page 28 of the committee report, the same information was to have been compiled and submitted to the Comptroller General within 30 days after the receipt of an application and at least 30 days prior to the approval of the loan.

Mr. President, in order that there be in one place the substitute language that appears in the committee report, as well as the language which I have just referred to and which was not adopted, I request unanimous consent that the committee report statement on page 27 through top of page 29 be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

TITLE II—CREDIT AGENCIES

RURAL ELECTRIFICATION ADMINISTRATION

Electrification loan program

The success of the rural electrification program in bringing electricity to the farms and rural areas has been an outstanding development in the past quarter century. It has benefited both the rural and urban segments of the national economy. The electrification of rural areas brought to rural residents the advantages of modern living which city people had long enjoyed. Power-type equipment operated on farms has opened a vast market in manufacturing and commerce. Nonfarm employment opportunities have expanded. The rapid growth in the economy has in large part developed from the contribution that REA-financed electrification loans has brought to the rural areas.

During the course of the hearings this year, the committee had presented to it, as it has in the past, widely divergent views with respect to REA loans for generation and transmission facilities.

As previously stated, this committee believes that both the rural electric cooperatives and the private power companies who furnish most of the supply of energy needed to serve the electric cooperatives are here to stay and they should make every effort to enter into earnest negotiations in reaching power supply contracts because it is to the mutual advantage of the cooperatives and the private companies to enter into satisfactory power supply arrangements.

The committee recognizes that the House recommended a new procedure for REA after hearing the differing points of view surrounding the loans made by the Rural Electrification Administration for generation and transmission purposes.

This committee concurs with the recommendations set forth in the House committee report, to wit:

Before public funds are loaned for power generation or transmission, the Rural Electrification Administrator, in connection with any such loan, should:

- (1) Make a survey and determine wherein the existing contract for power or the proposed contract is unreasonable;
- (2) Advise the supplier wherein such contract is unreasonable; and
- (3) Attempt to get such contract modified to make it reasonable.

Loans should be made only when reasonable contracts cannot be obtained.

With regard to any further generation and major transmission loan approved in excess of \$2 million, the Administrator shall certify to the Secretary of Agriculture, the Comptroller General, and the Congress, that each of these steps has been taken and that the private supplier had been given an opportunity to make the contract reasonable, specifying the details, and had refused or failed to do so.

The Administrator also shall furnish the Comptroller General and the Congress on the date of approval of each such loan application, the following information:

"(1) The name and address of the applicant borrower and the date of the application.

"(2) Description and estimated cost of the proposed generation facilities. Indicate if the proposed facilities are the initial or additional unit or units of a plant comprised of one or more units.

"(3) Description and estimated cost of proposed transmission facilities, including any immediate or future plans to interconnect with other transmission systems.

"(4) Description of any long-range plans the applicant may have for construction of additional generation and transmission facilities and the estimated cost of the planned facilities.

"(5) Comparison of the estimated costs of generation by the applicant borrower with the cost of power available from existing suppliers, including the final offer by the private supplier including terms and conditions he offered to meet applicant's long-term energy needs.

"(6) Summary of the efforts made by the applicant and by REA to obtain the applicant's power and energy requirements from existing power suppliers and the reasons why such efforts have not been successful.

"(7) Explanation of the applicant's reasons for seeking an REA loan.

"(8) The amount of electric energy which the applicant will cease to purchase from present power suppliers upon construction of the generating plant for which REA financing is being sought.

"(9) Explanation of the extent to which the feasibility of the requested loan for generation and transmission facilities depends upon the use of a portion of the facilities by others (including Federal power marketing agencies).

"(10) Details of the applicant's plans to sell or otherwise make available any of the power and energy from the proposed generation facilities to others (including Federal power marketing agencies).

"(11) Names of State agencies and commissions having jurisdiction over the applicant borrowers."

With respect to each generation and transmission loan application, processed by REA in accordance with the foregoing procedures, the Administrator should, in order to avoid dilatory tactics or protracted delays on the part of either party in such negotiations, establish a publicly announced period of time during which the survey, determinations, and negotiations will be carried on prior to a definite cutoff date set by the Administrator.

The committee is opposed to the imposition of dual rates in power supply contracts and believes that the cooperatives should state their needs clearly and concretely, and that the suppliers of power should in turn clearly set forth the terms and conditions of power supply contracts.

The committee expects the administrator to examine into all complaints which may come to his attention concerning territorial disputes between REA cooperatives and commercial power companies, except in States having adequate statutory provisions for determining territorial and service rights, and report to the committee in January of each year the salient facts involved, the disposition of the complaints, and the basis for such dispositions.

The committee instructs the Administrator of REA to report to both the Senate and House Appropriations Committees in writing 60 days in advance of approving allocations of funds for acquiring or building generating plants of over \$2 million and major transmission lines, and such other information as the committee may request.

Section V loans

The committee concurs in the recommendations in the House committee report that the Administrator of REA should not make section V loans in competition with private sources of credit, or as a replacement or substitution for loan funds available under the Area Redevelopment Act, Public Law 87-27. Such loans should be very limited. The committee requests the Administrator of REA to provide it with a summary of pending section V loan applications as well as a copy of his certification to the Secretary on the necessity for making these loans.

Loan authorization

1963 appropriations-----	(\$480,000,000)
1964 budget estimate-----	(495,000,000)
House bill-----	(495,000,000)
Committee recommendation--	(495,000,000)

A total of \$495 million of loan authorization is recommended for the electrification and telephone programs administered by the Rural Electrification Administration. The total amount recommended is the amount requested in the budget estimate and as approved in the House bill.

New loan authorization of \$495 million for the rural electrification program is recommended. This is the amount requested in the budget estimate and carried in the House bill. It is an increase of \$25 million of the 1963 authorization. The committee concurs in the action by the House to place \$150 million of this amount in the contingency reserve. For the telephone program, the committee recommends new authorization of \$70 million, as requested in the budget estimate and carried in the House bill. In addition, there is an estimated carryover of \$40.7 million from fiscal 1963 making available a total of \$110.7 million for the telephone loan program.

Salaries and expenses

1963 appropriations-----	\$10,442,200
1964 budget estimate-----	11,344,000
House bill-----	11,162,000
Committee recommendation---	11,287,000

For administration expenses of the Rural Electrification Administration, the committee recommends that \$11,287,000 be appropriated, an increase of \$844,800 over 1963, and an increase of \$125,000 over the House bill, and \$57,000 under the budget estimate.

The committee increase provide \$573,740 for pay costs, and \$271,060 to strengthen agency field staff to carry out administrative requirements in connection with the electrification loan program.

Mr. HOLLAND. I believe that is the statement which the Senator from Minnesota previously suggested be included in the RECORD.

Mr. HUMPHREY. Yes. I am very pleased that it comes at this point, because it is within the discussion of the total bill. So that all the colloquy which the Senator from Florida and the Senator from Minnesota have had prior to this point may be fully related to those pages and paragraphs from the committee report, I am hopeful that that colloquy might be placed at this point in our discussion. I think it would be more relevant.

Mr. HOLLAND. I would be quite willing to have the Senator, on examining the transcript, do so. I shall not have the opportunity to examine it. The Senator may place that colloquy at this point in the RECORD if he prefers to do so.

Mr. HUMPHREY. We have discussed the meaning of the provision relating to other information which the committee may request. We have made it quite clear—at least the Senator from Minnesota has—that the REA Administrator is, so to speak, on notice in terms of the loans that are made, so that the loan purpose relates directly to the purpose of the REA Act. I hope that the Rural Electrification Act will not be stretched and distorted in terms of its application so as to bring discredit upon our fine rural electrification program. Rural development is one thing. Rural electrification is a part of rural development. I have a feeling that there must be careful scrutiny of loan applications as they come in, so that we can be sure that such applications relate to rural electrification and not to some other aspect of

rural development which might very well be covered under another program, such as the Small Business Administration, the Area Redevelopment Administration, and other programs which are established for those purposes.

Mr. HOLLAND. Mr. President, I join the Senator in that statement. The record shows the making of loans which were at least unwise. I have already adverted to loans made for the installation of skiing facilities, under section 5 authority of the act. The record will also show in at least two instances the making of loans to cooperative groups for the definite purpose, as disclosed by the papers, of having the facilities transferred, after the loan was paid out, to agencies which do not have the right to borrow from the REA at 2 percent interest, or, on any basis.

I personally feel that such procedures bypass the purposes of the act, and can only discredit this fine program. My own feeling is that the REA itself must administer its business more carefully and get away from these manifest abuses and other abuses that I could suggest, which are shown amply by the record. For example, under G and T loans approved, the power was more expensive than was power which was being bought at the time from a commercial supplier of power—which means that the beneficiaries of the REA program were having to pay more for their power than if they had used the commercial supplier of power to furnish their cooperative with power.

There are abuses. Any member of the committee knows that they are amply shown in the record. I believe every member of the committee realizes that fact and desires that the abuses be corrected. For that reason I strongly support the substitute language proposed by the Senator from Minnesota. I do not believe it would have been as helpful to the REA, to their customers, or to the Nation as the language which I have proposed. But there was so little difference—and we do make progress—and since it is a better set of directions than that given in the report of the other body, I support it wholeheartedly.

I invite the attention of the Senators to the second paragraph of page 29 of the report:

The committee instructs the Administrator of REA to report to both the Senate and House Appropriations Committees in writing 60 days in advance of approving allocations of funds for acquiring or building generating plants of over \$2 million and major transmission lines, and such other information as the committee may request.

It is my well considered judgment that the language as now contained in the committee report, which represents the substitute offered by the Senator from Minnesota [Mr. HUMPHREY], but language which I had offered and which I have already had placed in the RECORD, is less desirable than the provision contained in my recommendations providing for the furnishing of detailed information on the same large loans to the General Accounting Office not more than 30 days after the application was received and not less than 30 days before approval was made.

In both cases there was no requirement for hearings by our committee. I have noticed in the house organ issued by the National Association of Cooperatives a statement that my report language recommended hearings, while the report favored by the Senator from Minnesota, and substituted on his motion by a vote of 13 to 10 for the report which I had recommended, did not. I wish to say now for the record that in either case, the committee would have had the complete right, as in the case of all highly controversial situations, to demand as full information as it might require to conduct hearings if in its discretion it felt that course to be desirable. But there is no requirement in either recommendation for hearings, and I am sure there is no desire on the part of the Senator from Minnesota or on my part to require hearings, unless there be such a showing of irregularity of a highly controversial character or quality as to make it desirable, in serving the public interest, to hold a hearing.

Mr. HUMPHREY. Mr. President, will the Senator yield at that point?

Mr. HOLLAND. I yield.

Mr. HUMPHREY. It is the right of a committee, particularly an Appropriations Committee, at any time when it feels that there is a situation that necessitates a hearing, to have such a hearing.

No executive officer could deny us that right. But we do not expressly provide that right, since it is an inherent right of the Congress at any time.

The primary difference between committee print A, the language of the committee report of the Senator from Florida [Mr. HOLLAND], and that offered by the Senator from Minnesota, was related to this fact: Committee print A language would have provided that 30 days after the loan application certain information should be made available to the Comptroller General. My language provided that on the date of approval of such loan application the same material, the same information, be made available to the Comptroller General and the Congress. That is the prime difference.

Mr. HOLLAND. That is one of the prime differences. I read further from my prepared statement. In my judgment, the major difference between my recommendation and the Humphrey substitute is that under my recommendation the information would have been filed with the General Accounting Office whereas under the Humphrey substitute as adopted, the basic information would come into the committee directly with full opportunity to require detailed information if it so desired.

In either case, the committee was to be given an equal opportunity in its own discretion to request a hearing and to have a hearing if it desired one. I wish to make that amply clear, for if present practices are continued, there will surely be cases in which hearings will be desirable. I hope there will never be such action.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. HUMPHREY. It is understood also that it is not expected that hearings will be held on each loan application about which there may be some discussion or some difference of opinion.

Mr. HOLLAND. There has been no thought of that.

Mr. HUMPHREY. The Senator from Florida and I both agree in that regard. I wish to make it crystal clear.

Mr. HOLLAND. I think that would be highly disruptive of the regular procedures in the REA office. Let us understand each other. No Senator can say with conviction there have not been abuses in recent years in the REA.

Mr. HUMPHREY. That is, of course, a matter of individual judgment.

Mr. HOLLAND. In the committee even Senators who voted for the substitute of the Senator from Minnesota stated that unless abuses were corrected in this year of operation, under the language that we included in our report, they would join me in a stricter effort next year. The distinguished Senator from Minnesota himself stated he would make the motion.

Mr. HUMPHREY. Yes.

Mr. HOLLAND. The Senator will recall that.

Mr. HUMPHREY. I have so informed the Administrator.

Mr. HOLLAND. I thank the Senator for that. I believe it is helpful, coming from him, since he is one of the best friends the REA has. I so recognize him, and I pay tribute to him in that capacity. It is helpful for him to recognize that there have been abuses which should be corrected, and that unless they are corrected it will be the clear duty of the Appropriations Committee, which is asked to supply large amounts of Federal money, at nominal interest rates—at 2 percent, a little more than half the rate our Government has to pay now for long-term funds that it borrows. To continue to supply the money for loans, even for a very worthy purpose, in the face of a continuation of such abuses would be something I am sure the Senator would not approve.

It is well that this whole subject has come out into the open. I join the Senator in his feeling, and hope that the question will not come up again at the end of this year, but I am perfectly prepared to bring it up unless there is some correction of the abuses in the current year.

Mr. HUMPHREY. Mr. President, will the Senator yield again?

Mr. HOLLAND. The REA has more at stake in this matter than anybody else, because it is quite clear, from reading the current press and magazines and from information which comes to me from Senators, all of whom have supported the REA continuously throughout the years, that there is anxiety over what has been going on. There is, I am sure, a determination that REA shall operate in conformity with its original intent and objectives, so that we may all continue to support it wholeheartedly.

I yield to the Senator from Minnesota.

Mr. HUMPHREY. I should like to put this whole discussion into proper perspective. There are individual Senators who feel that there were misjudgments

or abuses, if we wish to call them that, in certain REA loan policies, and that sometimes unwise and untimely decisions relating to them were made. But the record of REA as an organization, as an administration, and as a program over many years, is a highly commendable record, a statement with which we would all agree, I am sure.

I stated earlier that I do not want to see the record tarnished. I do not want the REA to be used for purposes other than those expressly provided by the act. I do not want the REA to take on some of the more difficult and controversial assignments—for example, rural development over and beyond what REA is supposed to do in electrification.

In this spirit I commend the REA for what it has done in the past and for what it is doing now. Both the Senator from Florida and I are in full agreement that we want the REA program to continue to serve the Nation's agricultural areas and other areas of the agricultural economy, even as new plants come into some of the rural areas. We want them to do this in a way which will commend the REA Administration for what it has done.

Mr. Clapp is a good Administrator. I know him well. He is a person with whom one can talk. When matters are brought to his attention, he responds. In the main, he responds favorable to the suggestions which are offered.

I have had a long discussion with Mr. Clapp, following the committee action. I am sure the Senator from Florida has had even more extensive discussions with him.

Mr. HOLLAND. No. Mr. Clapp has not honored me with a visit since the committee hearings were closed.

Mr. HUMPHREY. I called him.

Mr. HOLLAND. Nor has Mr. Ellis. While some people may regard me as a kind of bete noire, I would hope that neither of those gentleman would. But I have not had the pleasure of a discussion with either one of them since the hearings were terminated. I regret that that is the case.

Mr. HUMPHREY. I regret it, also. I believe the Administrator would find the Senator from Florida exceedingly helpful. He is always a good man with whom to visit. One generally gets some good ideas from him. I am going to publicly recommend that the Administrator find time soon to have that long overdue visit.

Mr. HOLLAND. If he should come to visit the Senator from Florida and if he should follow the advice he will get from the Senator from Florida he will put the REA in a much more impregnable position than it is in now. I hope that will be the case after the operation of this year. The REA is not in an impregnable position now. We all know it.

I hope I am not misquoting the Senator from Minnesota in saying that he stated in the committee, and again later in a private conference, that he was prepared to say that unless the abuses were corrected this year he would join in the more severe recommendations next year.

Mr. HUMPHREY. I believe what I said was that if there are abuses and if

those abuses are not corrected I will join in asking for more restrictive language.

Frankly, I think that the ski loan was unwise. I do not think it was an abuse, because it was provided for under section 5. If I had been the administrator who had an appropriation to come before the committee, I believe I would not have made a loan for a ski slide at that particular time. But the poor administrator was saddled with it under section 5. He had obligations under it.

I am not sufficiently familiar with the details of the loan to the Texas cooperative to call that an abuse. I know the Senator from Florida thinks it was wrong. The Senator from Louisiana [Mr. ELLENDER] had some rather definite feelings about it. Frankly, I am not in a position to say whether that was right or wrong.

In my section of the country, there have been no abuses of which I know. If the REA would speed up a couple of loan projects under consideration in that area I would be appreciative.

Mr. HOLLAND. I am glad that the administrator is following the Senator's wise counsel sufficiently to keep out of trouble in that area. I hope that he will follow that course throughout the United States.

Mr. President, I ask unanimous consent to have printed in the RECORD, for the information of all Senators, the release from the REA dated August 15, 1963, entitled in this fine way, "REA Makes Pennsylvania Loan To Help Build Power Load, Create Jobs," and which continues with the statement that it was for the purpose of setting up a ski resort in the area served by the REA.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

REA MAKES PENNSYLVANIA LOAN TO HELP BUILD POWER LOAD, CREATE JOBS

A loan in the amount of \$110,000 was approved by the Rural Electrification Administration today to assist a Pennsylvania rural electric cooperative in its efforts to develop additional power loads as a means of bringing down the cost of electricity to its members and helping create more employment in its area.

The U.S. Department of Agriculture said the loan was made to the Valley Rural Electric Cooperative of Huntingdon which will relend the funds to a member, the Blue Knob Development Corp. of Altoona. It proposes to use the money to finance electrical facilities involved in the building of a year-round recreational area near Blue Knob State Park.

The corporation plans to develop a ski resort, including seven ski slopes, which will utilize area resources and provide additional employment. The resort, which will eventually be improved for year-round recreational use, will also be financed from local investments and a loan from the Area Redevelopment Administration, U.S. Department of Commerce.

The rural electric cooperative, which looks to the development as a source of additional power revenues estimated at \$5,000 annually, will finance the installation of necessary wiring and electrically operated equipment. It will include power units to operate a double chair lift, a pull lift, a T-bar lift and snowmaking equipment aimed at insuring maximum usage of the resort.

Such consumer facility loans are made by REA under the consumer-financing provision

(sec. 5) of the Rural Electrification Act. The agency makes the loans only when financing from other sources is not available locally.

According to present plans, the project will open with 58 employees and increase the number to 88 on a seasonal basis by the end of the second year of operation. The increasing use of the recreation area by skiers, probably 17,700 the first season and 26,600 the second, also is expected to promote employment in the surrounding area.

Rural electric cooperatives operate in thin rural areas and attempt to build and diversify their loads in an effort to make more efficient use of their facilities.

Mr. HOLLAND. Mr. President, at this point, also, in order that Senators may not have to look up the contents of section 5, I ask unanimous consent to place in the RECORD, for the information of Senators, section 5 of the REA Act, so that at the proper place in this discussion reference may be made to that section without research.

There being no objection, the section was ordered to be printed in the RECORD, as follows:

SEC. 5. The Administrator is authorized and empowered, from the sums hereinbefore authorized, to make loans for the purpose of financing the wiring of the premises of persons in rural areas and the acquisition and installation of electrical and plumbing appliances and equipment. Such loans may be made to any of the borrowers of funds loaned under the provisions of section 4, or to any person, firm, or corporation supplying or installing the said wiring, appliances, or equipment. Such loans shall be for such terms, subject to such conditions, and so secured as reasonably to assure repayment thereof, and shall be at a rate of interest of 2 per centum per annum; interest rates on the unmatured and unpaid balance of any loans made pursuant to this section prior to September 21, 1944, shall be adjusted to 2 per centum per annum. (May 20, 1936, ch. 432, § 5, 49 Stat. 1365; Sept. 21, 1944, ch. 412, Title V, § 502(b), 58 Stat. 739.)

Mr. HOLLAND. Mr. President, following the amendment to the Humphrey substitute, the committee voted 13 to 10 in favor of the revised language, as it appears in the committee report.

I believe that the action taken by the committee should have a salutary effect on those private power suppliers who have attempted to impose dual rates or other unfair terms and conditions in power supply contracts, or who fail to bargain locally with cooperatives on long-term supply contracts. I also believe that the committee action will have a salutary effect upon any cooperatives, upon the administration, and upon the REA itself in any case where there is a desire to issue large generation and transmission loans without adequate reason therefor when such new facilities would duplicate existing private facilities or, as in some cases already existing, would bring higher rates upon the REA customers. I am hopeful that both the rural electric cooperatives and the private power companies will be encouraged to work together as harmoniously as possible.

Under the procedure adopted by the committee, which includes the additions noted to procedural recommendations made by the House committee, it is my belief that both parties of interest will have an opportunity to deal with each

other equitably and fairly. I am hopeful the action taken first by the House committee and now by this committee will deter private power suppliers from making unreasonable demands in power supply contracts and deter the REA Administrator from making loans until such procedural requirements as have been set forth are fully complied with. When loans are announced under the directives of both committees, the Congress and the general public will be provided with considerable information. The points listed are minimal. The Administrator of REA should feel free, in my opinion, to release such additional factual information as essential to a full disclosure as is pertinent.

In regard to section 5 loans, as to which the statements on the Humphrey amendment and my own recommendation were identical, the statement in the House committee report and the statement in the Senate committee report emphasize that the REA Administrator is not to make section 5 loans except for the original intent of such loans, and certainly not for purposes of or as a substitute for loan purposes under the Area Redevelopment Act. In the Area Redevelopment Act, ample authority and reasonable terms and conditions or loans at 4 percent interest were authorized by the Congress.

I, for one, hope that the REA Administrator, will see the light in this regard and immediately discontinue from the further consideration, and certainly not approve any more loans in competition with private sources of credit, or as a replacement or substitution for loan funds available under the Area Redevelopment Act, Public Law 87-27.

As a member of the Standing Committee on Agriculture and Forestry, and as chairman of the Subcommittee on Agricultural Credit and Rural Electrification in that committee, there has been referred to that subcommittee S. 1855, introduced by the Senator from Colorado [Mr. DOMINICK], for himself and the Senator from Utah [Mr. BENNETT] and S. 1926, introduced by the Senator from Ohio [Mr. LAUSCHE], for himself and the Senator from Utah [Mr. BENNETT], proposed to increase the interest rates on REA loans, and for other purposes.

It is not my intention to conduct hearings this year on these two bills or any substitute bill proposing an increase of interest rate upon loans made by the agency. It is my current belief that the action required by the reports accompanying the appropriation bill will serve to curb excessive and unwarranted loans on the part of the REA, and encourage private power companies to offer to the cooperatives fair and reasonable contracts for energy supplies.

It is expected, as stated in the committee report, that neither party will engage in dilatory tactics and that each party will respect the respective service territories. Further, the private power companies are discouraged from attempting to impose dual rates in power supply contracts.

I expect that the Administrator of the REA, in consultation with the Secretary of Agriculture, will promptly develop and issue in proper form the necessary

procedures to comply with committee directives. I further expect that the data released to the Congress on loans made will fully cover the salient facts involved in each case so that each Member of the Congress, in either body, can formulate his own opinion on the merits on either side in connection with those loans made in the future which appear to be controversial. I am fully satisfied that the action taken by the committees should serve to protect the rural electrification program.

There are some who are saying that these actions would serve to hurt the REA. To the contrary—and I give this warning with the greatest seriousness I can—if there is no correction of these existing abuses, I think the failure to make the corrections will do more to destroy the REA than anything else that could happen.

In spite of all of the charges and innuendoes that were recently made about my position, I know that our subcommittee is united in its belief that the ability of the agency to make generation and transmission loans when such are appropriate should be protected; and this protection we have attempted to provide without recourse to punitive measures.

Similarly, I feel I speak for the entire subcommittee in stating that we are opposed to the further consideration of section 5 loans for purposes of the Area Redevelopment Act.

Mr. President, I had promised to ask for a quorum call, but I see the distinguished Senator who asked me to make that promise is in the Chamber, so I will propose the action which I told him I would not propose until I had done as I promised. Then if there is a request for a quorum call, I shall be glad to accede to it.

Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc, and that the bill as thus amended be considered as original text for the purpose of amendment, and that no point of order will be waived by so doing.

The PRESIDING OFFICER. Is there objection?

Mr. WILLIAMS of Delaware. Mr. President, I object. The Senator from Florida has done an excellent piece of work on the bill, but there are some items in it that I would like to have explained. I think it would be more in keeping with orderly procedure to follow that course.

Mr. HOLLAND. The Senator is within his rights in objecting. However, I call attention to the fact that there are numerous amendments in the bill—somewhere upward of 60. Perhaps those amendments which the Senator feels are of sufficient importance to be dealt with in the way he has suggested could be singled out from the others, and the Senate might take such action as I have suggested with respect to such amendments. However, the Senator is within his rights. I respect his view, and will withdraw my request and will not make it again until the Senator has been given due notice.

Mr. WILLIAMS of Delaware. I appreciate that. I am not trying to delay

action on the bill. Some of the amendments are routine. I want an explanation on some of them in view of the fact that the President has made much of a statement claiming that there has been a \$900 million reduction in the cost of the agriculture program this year as compared with last year. I thought in the process we might be able to learn just where that saving has been achieved.

Mr. HOLLAND. I think that is a very worthy objective. I respect it. I withdraw my request at this time.

Mr. WILLIAMS of Delaware. The reason why I would like to be enlightened in that respect is that I have examined the cost of the program in detail, and I have been unable to learn where the \$900 million saving is. I am always willing to be enlightened.

Mr. HOLLAND. Mr. President, I stated to several Senators who requested information as to whether there would be any voting this afternoon that I did not intend to take any action which would result in voting, so Senators could attend to other business. My intention is to suggest the absence of a quorum, so the leadership can be notified. If there is further business to be taken up, or if there are amendments to which there is no objection to be offered, or if Senators have amendments to offer so they may be printed and lie on the table, that can be done.

Mr. President, I understand that two or three Senators wish to address questions to me concerning some of the items in the bill. It occurs to me that this may be an appropriate time for them to do so. I shall be glad to yield to them, as they may wish.

Mr. SPARKMAN. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield to the Senator from Alabama.

Mr. SPARKMAN. I wish to ask a question specifically about the proposal to waive a point of order so as to consider legislation to authorize the appropriation of additional funds for rural housing. Can the Senator state where that item appears in the report?

Mr. HOLLAND. It is the item "rural housing loans," on page 31 of the report.

This provision appears in the bill by reason of a motion by the distinguished Senator from Mississippi [Mr. STENNIS], who is in the Chamber, to increase the borrowing authorization of rural housing loans by \$25 million. This is an unusual way to act on a problem which certainly exists.

As I understand, the total unexpended authorization is about \$150 million, or close thereto. The recommended program for this year is \$350 million. The committee recommends to the FHA that it exhaust its authorization, but still only provide a maximum of, let us say, only \$150 million.

The distinguished Senator from Mississippi, as I understood his point, wanted to be certain that there was enough provided in the authorization to allow Congress time enough in the next year to consider pending legislation to provide insuring authority to allow the full program, as contemplated by the

budget, to be carried out. That legislation has not moved, as I understand.

The Senator from Mississippi, who is in the Chamber and could better answer the question of the Senator from Alabama than I can, felt that adding \$25 million to the present borrowing authorization would make certain that Congress, when it met next year, would have, let us say, until March to act on the pending legislation. If I am not correct, I ask the Senator from Mississippi to correct me.

Mr. STENNIS. I thank the Senator from Florida.

The basic facts are largely as they have been stated by the Senator from Florida. The budget recommendation was \$400 million for fiscal 1964 to provide rural housing loans—that is, loans for the construction and repair of dwellings. In their entirety, these loans are to be repaid with interest. No grant or concession of any kind is provided—merely the authority to borrow from the Treasury to make the loans, all of which are to be repaid with interest. The payment record is excellent.

That authority is almost exhausted. To meet the situation for future years, the administration recommended new legislation in the form of a guaranteed loan program, an entirely different program. Congress would be required to enact new legislation. It is now the month of September. The proposed legislation has not moved either in the House or in the Senate. It has not been active. No hearings have been held. I do not believe a bill has been introduced in the Senate in accordance with the proposed new plan. A bill was perhaps introduced in the House, but was abandoned. So we are faced with the situation that the rural housing program is the only one among all the programs for housing to which Congress is not giving any attention. Unless something is done to release these funds and to add at least a pittance to them, the program will fall by the wayside.

The authorization was to be \$150 million, but, as I recall the original plan, the authorization was to be extended over fiscal years 1964 and 1965. I believe the report recommends that the funds all be released; and presumably the administration would act on that proposal. Even if all the funds are released, as the report requests, there would still be a shortage of \$250 million according to the budget requests.

The sum proposed to be added is \$25 million rather than \$250 million. I believe I have correctly stated the figures.

Mr. HOLLAND. Mr. President, as a background for discussion, I should like to read from the budget justifications which relate to this subject and which appear on page 80 of the hearings before the committee:

To meet the increased demand, legislation is being proposed to provide a program of insured rural housing loans under title V of the Housing Act of 1949. Under such an insured loan program, it is anticipated that this loan activity will reach the level of \$350 million in 1964, which together with the direct loans of \$50 million will make a total loan program of \$400 million.

Mr. HOLLAND. The statement that was made originally is substantially correct. The \$25 million item was suggested by the Senator from Mississippi as an amendment in the nature of legislation. It would increase the remaining authorization for this type of loan to \$175 million or thereabouts, in the hope that that would last long enough into the new year to allow Congress to pass upon either the pending legislation or to pass some legislation that would appropriately take care of this program, which has proved to be a very effective and a very useful one.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. HOLLAND. I am glad to yield.

Mr. SPARKMAN. Let me say that my questioning is not in any way critical of the provision or unfriendly toward it. As a matter of fact, the Senator from Mississippi discussed this with me.

Mr. STENNIS. Yes.

Mr. SPARKMAN. The Senator discussed this with me before it was ever proposed in the committee.

Mr. STENNIS. It received the approval of the Senator from Alabama.

Mr. SPARKMAN. I agree that we would need the money. There are some things regarding the whole program that I should like to be able to state for the Record. I am not prepared to do so at the present time; but during the consideration of the bill tomorrow, I hope to go rather fully into this program and to present all the facts.

I do want it clearly understood that I do not wish this action to be considered a precedent.

Mr. STENNIS. I thoroughly agree; and I believe it very unfortunate that we are driven to take this step.

Mr. SPARKMAN. I realize that, and the Senator from Mississippi and I agreed to that when the subject was first broached. In fact, just this morning we said there was no such intention.

As a matter of fact, the Senator stated that the farm housing legislation was not receiving any attention. I assure him that our Housing Subcommittee has been quite attentive. We have been trying to get the additional funds authorized and released for the Budget Bureau, for use immediately. The Budget Bureau interpreted the 1961 act as requiring that the money be spread over 4 years. That is where the fiscal year 1964 and the fiscal year 1965 come into the picture. But that was not the intention at all. There is not one word of that sort in the law. The Senator will remember that the Housing Act of 1961 was a very large one; it covered many programs, and covered them in depth; and some of them were extended for as long as 4 years. Much has been said here about its being a 4-year program. The fact that it is a broad program is testified to by the fact that neither last year nor this year have we had a housing program.

We do contemplate one for next year; and in that program, farm housing will be handled again. But just because from time to time we referred to the program as a whole as a 4-year program, it was assumed that that also applied to farm housing. However, not one word

in the law limited farm housing to that period of time.

Mr. STENNIS. I am glad to know that, because the interpretation had been the other way.

Mr. SPARKMAN. I realize that; and we have been protesting that interpretation, and I am very hopeful that we shall be able to get the balance of that money released. This is one of the best programs we have ever had. I take a great deal of pride in the fact that I introduced the bill originally in 1949, and it was written into the law that year, and has been a wonderful program.

Mr. STENNIS. The Senator from Alabama has been instrumental in getting it liberalized, and experience has proved that those additions to the law were sound.

Mr. SPARKMAN. Yes. It has been most helpful to our farm people and to others in the rural areas.

With reference to the insurance program that has been referred to, it was tried back in 1954, I believe. During the Eisenhower administration, an insurance program was enacted, but it never got off the ground. It did not work. I am not at all sure that it can be made to work. I understand that in view of the way it is proposed this time, it is hoped it can be made to work; but I do not believe it will. Certainly it cannot be more effective than the present plan, which is a small direct-loan program. As measured by housing programs generally, it is not a large program.

Mr. STENNIS. Nor can it be made effective at all for the current fiscal year, which is moving on.

Mr. SPARKMAN. That is true.

I do not advocate the insurance plan. I was not for it when it was first passed; but I watched it with a great deal of interest. Frankly, I am sorry that it did not take hold. But it did not. It does not fit. The FHA insurance plan fits the city dweller who earns a monthly salary which enables him to make regular monthly payments; but it does not fit the farmer, who often has but a single crop which he sells at a certain time of the year, and is not prepared to make payments in a way that fits a program of that kind.

I wish to say to the Senator from Florida—for I am not sure he understood me a few minutes ago—that I wish to make some remarks on this program tomorrow. So I hope that before this point is disposed of, I may have the privilege of speaking in somewhat more detail than I have this afternoon, because I believe this program has not received the notice it should have. I believe it has been a great help to the agriculture programs throughout the country. Many people do not realize that some of our worst slums are in the farm areas. They do not show up so badly, because they are single shacks; but when thrown together they would present the same slum appearance that a great slum in a city does. The average farmer would like to change that situation; and if he is given the opportunity to do so, he will change it. That is what is happening here.

In recent weeks and months, I have received a great many letters from people over the country—bankers, businessmen in the cities, farm agents, and people of every following—who have the community welfare at heart. They urge that we do something about this farm home program, in order that it will not "dry up on the vine."

I certainly do not intend to oppose this program. I did want to make clear two points: First, that I do not want this action to be considered a precedent; and the Senator from Mississippi has agreed all along that it would not be considered a precedent. Second, before this matter is finally disposed of, I wish to have an opportunity to present it in greater detail than I have been able to do here this afternoon.

Mr. HOLLAND. I am sure the Senator will have that opportunity. I do not know at what stage this matter will be reached. The Senator from Florida has been authorized by the full committee to call up the motion to waive the rule, in the event a point of order is raised, as the Senator knows. So there may or may not be debate at considerable length. I have no information about that—although I know the debate will be illuminated by the participation of the Senator from Alabama.

Mr. SPARKMAN. I know from experience that an agricultural appropriation bill which carries items which total from \$6 to \$7 billion—

Mr. HOLLAND. This one totals a little over \$6 billion.

Mr. SPARKMAN. I have seen such agricultural appropriation bills debated in the Senate for a week or two, although I do not anticipate that much time will be used on this one. At any rate, I hope to be on the floor tomorrow afternoon while the bill is being considered, and at the proper time I hope to be recognized, in order to speak in greater detail on this subject.

Mr. HOLLAND. I thank the Senator from Alabama for his remarks.

Mr. SPARKMAN. I thank the Senator from Florida for yielding to me.

Mr. ALLOTT. Will the Senator from Florida yield?

Mr. HOLLAND. I am glad to yield.

Mr. ALLOTT. I wonder whether the Senator would mind answering a few questions, to clear up this matter. I shall read from page 81 of the committee hearings. I had not realized until

recently that there was a grant provision in this particular piece of proposed legislation. Can the Senator inform me whether any of the money that would be appropriated under the housing amendment would be used for grants?

Mr. HOLLAND. I believe the Senator is referring to another section of the bill that relates to an increase and enlargement of the development loans and repair and improvement grants, and not that section of the bill that we have been discussing, which deals solely with an increased authorization for rural housing loans in the amount of \$25 million.

Mr. ALLOTT. That was my impression, but I wished to have the RECORD clear that we would not, through that particular amendment, appropriate any further money toward grants, which is a philosophy with which I do not agree.

Mr. HOLLAND. My understanding is—and if I am in error, I can be corrected—that that amendment deals solely with direct loans for rural housing.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. SPARKMAN. I agree with the interpretation of the Senator from Florida. In title V of the Housing Act of 1949 are three sections, numbered 509, 510 and 511, that deal with those loans. Sections 509 and 510 deal with grants.

I do not believe that the available grants have been used to any great extent. They were primarily for the purpose of cleaning up insanitary conditions, and community projects of that kind, rather than for the individual home. I believe that program has virtually disappeared. At any rate, if there is to be an appropriation for that purpose, it must be made separately.

Mr. HOLLAND. I am correct, am I not, that the provision to which I have referred—is only for the purpose of making loans for rural housing?

Mr. SPARKMAN. Under section 511; and that is the only provision in that section.

Mr. STENNIS. Mr. President, will the Senator yield on that point?

Mr. HOLLAND. I yield.

Mr. STENNIS. I believe the Senator from Colorado has made a point. The Senator from Alabama is far more familiar with the subject than I am, but based upon my investigation, I do not believe there is any question that the \$25

million item relates solely to authorization for loans to be paid back periodically with interest. The rate of interest is higher than the Government pays, and it is higher than the cost of maintaining the program. I believe the program operates at a little profit now.

Mr. ALLOTT. I very much appreciate the answers of all three distinguished Senators. So it is clear that the proposed amendment does not relate to grants. I cannot agree with the philosophy that the Government has a right to make that kind of grant to certain individuals in preference to others.

I should like to ask a question which has been asked of me many times. Has the Senator any information on the use of the program to make loans within the areas of subdivisions, towns and cities?

Mr. HOLLAND. I have no such information. I have in the file information as to the full amount of the program, but as to the specific locus of the loans, I could not say whether any loans have been made within incorporated towns. I do not believe so, but I could not give the Senator any assurance on that question. Has the Senator from Mississippi any facts on that subject?

Mr. STENNIS. The Senator from Mississippi has some. Perhaps the Senator from Alabama knows the situation better than I.

Mr. SPARKMAN. The act was amended a few years ago to change the language to read "rural areas." Of course, under the census definition of "rural areas," the area involved might possibly be a subdivision, particularly if it were a fringe area of a town. It might be possible to make such loans, but I have never known such loans to be made by the Farmers Home Administration. Down my way they operate in the country.

Mr. STENNIS. Mr. President, will the Senator yield to me briefly?

Mr. HOLLAND. I yield gladly. I wonder if it would be appropriate for me to have printed at this point in the RECORD the report of the Farmers Home Administration on its housing loans, showing the breakdown between States, the number of such loans, and other pertinent information. If so, Mr. President, I ask unanimous consent that the tables showing that information be printed at this point in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

—Rural housing loans: Number of borrowers, amount loaned and payments, cumulative through Dec. 31, 1962

State and territory	Total number of borrowers	Total amount loaned	Borrowers paid in full or otherwise satisfied				Borrowers with unpaid balance as of Dec. 31, 1962					
			Number	Payments			Number	Scheduled installments (principal and interest)	Principal and interest payments			
				Total ¹	Principal ²	Interest ³			Total	Regular and advance payments made on scheduled installments		Extra payments and refunds
										Amount ¹	As percent of schedule	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
U.S. total.....	70,126	\$528,594,962	13,699	\$75,257,556	\$64,098,861	\$11,158,695	56,427	\$86,001,595	\$95,141,763	\$89,957,835	105	\$5,183,928
Alabama.....	4,484	34,733,326	731	4,368,084	3,738,271	629,813	3,753	5,647,076	6,402,434	6,025,589	107	376,845
Alaska.....	90	1,387,495	3	27,001	26,600	401	87	41,101	47,590	39,358	96	8,232
Arizona.....	287	2,387,305	82	700,136	604,683	95,453	155	355,030	369,004	356,534	100	12,470
Arkansas.....	3,377	18,233,627	795	2,994,216	2,585,908	408,308	2,582	2,845,497	3,228,251	3,064,071	107	174,180

Footnotes at end of table.

Rural housing loans: Number of borrowers, amount loaned and payments, cumulative through Dec. 31, 1962—Continued

State and territory	Total number of borrowers	Total amount loaned	Borrowers paid in full or otherwise satisfied				Borrowers with unpaid balance as of Dec. 31, 1962					
			Number	Payments			Number	Scheduled installments (principal and interest)	Principal and interest payments			
				Total ¹	Principal ²	Interest ³			Total	Regular and advance payments made on scheduled installments		Extra payments and refunds
										Amount ¹	As percent of schedule	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
California.....	1,081	\$9,849,384	423	\$3,014,232	\$2,565,266	\$448,966	658	\$1,729,308	\$1,803,903	\$1,715,450	99	\$88,453
Colorado.....	562	4,697,929	162	1,073,649	892,944	180,705	400	647,161	689,614	627,501	97	62,113
Connecticut.....	75	478,692	37	186,153	161,667	24,486	38	41,108	37,870	37,669	92	201
Delaware.....	46	395,590	5	24,534	22,140	2,394	41	36,888	40,584	35,293	96	5,291
Florida.....	2,289	20,951,869	383	2,866,166	2,498,451	367,715	1,906	3,375,549	3,684,724	3,488,049	103	196,675
Georgia.....	4,328	30,889,662	844	4,487,896	3,798,965	688,931	3,484	4,577,269	5,271,848	4,930,458	108	341,390
Hawaii.....	303	3,216,970	59	502,168	419,697	82,471	244	538,244	610,301	584,794	109	25,507
Idaho.....	939	7,989,134	226	1,616,382	1,342,232	274,150	713	1,454,533	1,493,029	1,452,168	100	40,861
Illinois.....	864	5,599,552	293	1,239,638	1,058,826	180,812	571	926,311	985,363	954,441	103	30,922
Indiana.....	846	6,484,399	219	1,056,731	891,607	165,124	627	1,022,629	1,104,600	1,052,802	103	51,798
Iowa.....	1,315	10,186,060	237	1,161,985	988,554	173,431	1,078	1,515,785	1,614,712	1,559,144	103	55,568
Kansas.....	1,041	7,618,970	204	1,124,242	962,867	161,375	837	1,132,564	1,276,057	1,169,283	103	106,774
Kentucky.....	1,668	13,233,013	281	1,495,214	1,267,845	227,369	1,387	2,293,586	2,673,250	2,529,292	110	143,958
Louisiana.....	1,861	13,361,350	405	2,259,255	1,914,471	344,784	1,456	2,778,542	3,070,016	2,941,052	106	128,964
Maine.....	1,202	8,130,308	209	941,831	804,348	137,483	993	1,443,559	1,536,708	1,456,183	101	80,525
Maryland.....	468	4,299,586	107	651,252	553,470	97,782	361	621,508	662,264	629,772	101	32,492
Massachusetts.....	63	422,988	13	68,818	59,102	9,716	50	100,137	98,760	94,731	95	4,029
Michigan.....	1,381	10,842,749	304	1,515,049	1,273,524	241,525	1,077	1,827,195	2,009,569	1,903,440	104	106,129
Minnesota.....	1,374	8,944,899	196	951,449	816,119	135,330	1,178	1,271,183	1,341,501	1,295,676	102	45,825
Mississippi.....	5,664	35,932,358	946	4,370,440	3,785,396	585,044	4,718	6,321,985	7,000,693	6,643,096	105	357,597
Missouri.....	3,427	21,318,249	826	3,363,142	2,896,001	467,141	2,601	3,329,634	3,678,079	3,462,316	104	215,763
Montana.....	734	6,204,331	144	980,278	832,931	147,347	590	963,153	1,054,947	964,603	100	90,344
Nebraska.....	774	4,835,544	284	1,440,627	1,217,681	222,946	490	838,666	855,263	823,585	98	31,678
Nevada.....	64	583,017	15	125,801	103,418	22,383	49	113,315	117,554	109,472	97	8,082
New Hampshire.....	74	482,832	15	56,464	47,728	8,736	59	47,442	39,527	35,617	75	3,910
New Jersey.....	443	3,474,822	111	616,566	526,674	89,892	332	533,884	537,673	524,882	98	12,791
New Mexico.....	534	3,942,493	167	1,026,583	858,378	168,205	367	819,487	876,880	843,378	103	33,502
New York.....	586	4,423,386	119	646,095	548,724	97,371	467	693,315	736,902	681,961	99	54,941
North Carolina.....	3,567	31,038,729	479	2,878,967	2,450,520	428,447	3,088	3,888,943	4,592,221	4,345,196	112	247,025
North Dakota.....	1,302	12,323,927	125	886,744	746,133	140,611	1,177	1,889,350	2,035,778	1,870,052	99	165,726
Ohio.....	721	5,138,412	206	880,736	770,124	110,612	515	773,903	872,745	820,660	106	52,085
Oklahoma.....	2,707	19,104,524	674	3,627,841	3,072,735	555,106	2,033	3,631,762	3,970,072	3,787,356	104	182,716
Oregon.....	681	5,528,126	164	977,353	837,016	140,337	517	1,091,712	1,174,593	1,101,741	101	72,852
Pennsylvania.....	953	6,097,995	279	1,190,539	1,000,052	190,487	674	1,012,990	1,123,507	1,015,066	100	108,441
Rhode Island.....	7	27,298	1	4,136	3,140	996	1	5,815	14,002	4,101	71	9,901
South Carolina.....	2,422	20,516,155	317	1,936,405	1,620,518	315,887	2,105	3,644,933	4,003,671	3,830,098	105	173,573
South Dakota.....	940	7,212,614	143	841,061	706,415	134,646	797	1,111,135	1,105,878	1,052,687	95	53,191
Tennessee.....	3,619	28,726,432	440	2,421,396	2,086,304	335,092	3,179	4,167,964	4,866,841	4,600,826	110	266,015
Texas.....	3,614	29,486,906	786	5,003,621	4,252,517	751,104	2,828	5,280,553	5,846,746	5,519,467	105	327,279
Utah.....	1,045	10,461,293	162	1,219,764	1,033,664	186,100	883	1,706,844	1,887,098	1,781,782	104	105,316
Vermont.....	70	495,095	17	70,895	60,145	10,750	53	63,937	72,163	67,208	105	4,955
Virginia.....	1,036	8,754,929	192	1,238,125	1,034,171	203,954	844	1,530,674	1,716,239	1,585,548	104	130,691
Washington.....	953	8,636,360	142	1,002,461	846,465	155,996	811	1,578,355	1,680,243	1,625,405	103	54,838
West Virginia.....	1,004	8,206,367	142	946,254	799,034	147,220	862	1,481,175	1,707,306	1,582,599	107	124,707
Wisconsin.....	1,509	10,655,291	223	1,097,080	933,665	163,415	1,286	1,617,877	1,794,441	1,719,225	106	75,216
Wyoming.....	407	3,272,853	106	725,391	606,458	118,933	301	595,731	584,211	558,257	94	25,954
Puerto Rico.....	1,314	6,758,949	240	1,245,085	1,075,509	169,576	1,074	1,008,449	1,099,468	1,031,441	102	68,027
Virgin Islands.....	61	620,818	16	111,625	99,788	11,837	45	36,849	45,070	37,460	102	7,610

¹ Includes contributions in the form of principal and interest credits as authorized by sec. 503 of title V of the Housing Act of 1949 as amended. The contributions credited to the accounts of borrowers paid in full and with unpaid balance totaled \$138,145.

² Includes principal write offs in the amount of \$43,629 and principal judgments in the amount of \$55,865.

³ Does not include interest writeoffs in the amount of \$5,045 and interest judgment in the amount of \$10,410.

NOTE.—This table includes all loans made under title V of the Housing Act of 1949 as amended Sept. 28, 1962, by Public Law 87-723.

Rural housing loans: Funds obligated and furnished by borrowers, and use of funds, 1963 fiscal year ¹

State and territory	Funds to new borrowers and grant-only cases								
	Number	Amount of funds				Use of funds			
		Loans	Grants	Furnished by borrower	Total	Dwellings			
						New		Repair	
						Number	Amount	Number	Amount
1	2	3	4	5	6	7	8	9	
U.S. total:									
Percent distribution.....					100.0		90.2		5.5
Amount.....	20,416	\$184,265,722	\$1,024,785	\$10,557,365	\$195,847,872	15,876	\$176,586,376	3,815	\$10,832,951
Alabama.....	1,357	12,202,265	62,335	780,678	13,045,278	1,180	12,219,525	156	367,809
Alaska.....	55	883,545	0	10,865	894,410	37	698,612	15	150,266
Arizona.....	79	695,000	20,332	12,733	728,065	52	665,535	27	50,622
Arkansas.....	1,393	7,164,600	340,155	506,233	8,010,988	769	6,944,534	513	642,843
California.....	137	1,711,030	0	78,840	1,789,870	117	1,475,918	15	81,009
Colorado.....	206	2,134,930	2,970	87,224	2,225,124	145	1,882,020	55	196,387
Connecticut.....	11	132,380	0	7,615	139,995	0	130,964	0	2,200
Delaware.....	13	208,555	0	4,616	213,171	18	211,271	0	0
Florida.....	583	5,681,188	23,315	357,056	6,061,559	504	5,689,450	74	250,868
Georgia.....	1,242	11,962,425	24,105	620,875	12,607,405	1,106	11,831,803	127	441,500

Footnotes at end of table.

Rural housing loans: Funds obligated and furnished by borrowers, and use of funds, 1963 fiscal year¹—Continued

State and territory	Funds to new borrowers and grant-only cases								
	Number	Amount of funds				Use of funds			
		Loans	Grants	Furnished by borrower	Total	Dwellings			
						New		Repair	
						Number	Amount	Number	Amount
1	2	3	4	5	6	7	8	9	
Hawaii	104	\$1, 194, 200		\$28, 686	\$1, 222, 886	95	\$1, 160, 684	7	\$32, 897
Idaho	195	2, 294, 805	\$3, 500	89, 848	2, 388, 153	143	1, 988, 761	46	305, 964
Illinois	216	2, 374, 270	0	84, 329	2, 458, 599	193	2, 334, 513	19	71, 453
Indiana	188	2, 295, 039	0	97, 070	2, 392, 109	181	2, 357, 315	5	15, 168
Iowa	334	3, 716, 180	0	262, 911	3, 979, 091	279	3, 688, 952	40	183, 663
Kansas	322	2, 881, 980	7, 125	99, 792	2, 988, 897	223	2, 651, 040	71	208, 344
Kentucky	547	5, 652, 110	16, 300	326, 939	5, 995, 349	468	5, 513, 784	70	267, 921
Louisiana	477	4, 379, 120	1, 000	273, 704	4, 653, 824	408	4, 345, 589	64	220, 757
Maine	345	1, 841, 950	23, 420	37, 789	1, 903, 159	110	1, 174, 650	196	422, 880
Maryland	137	1, 589, 950	0	95, 213	1, 685, 163	132	1, 637, 620	3	17, 810
Massachusetts	18	110, 000	0	2, 336	112, 336	4	44, 627	3	10, 423
Michigan	295	3, 085, 890	14, 760	165, 528	3, 266, 178	222	2, 852, 371	62	248, 383
Minnesota	482	4, 089, 110	10, 430	236, 572	4, 336, 112	310	3, 671, 045	130	394, 154
Mississippi	1, 604	12, 828, 021	94, 930	476, 153	13, 399, 104	1, 282	12, 247, 001	314	832, 498
Missouri	946	7, 873, 035	97, 005	401, 421	8, 371, 461	704	7, 764, 725	218	350, 565
Montana	143	1, 369, 650	1, 000	74, 207	1, 444, 857	97	1, 237, 047	41	157, 043
Nebraska	192	1, 718, 340	1, 380	235, 765	1, 955, 485	133	1, 701, 132	40	172, 035
Nevada	17	184, 750	0	3, 457	188, 207	12	150, 237	5	34, 779
New Hampshire	50	424, 350	1, 000	8, 300	433, 650	37	402, 310	8	8, 900
New Jersey	151	1, 506, 110	0	139, 941	1, 646, 051	120	1, 470, 099	24	92, 586
New Mexico	138	1, 196, 960	2, 260	59, 431	1, 258, 651	93	1, 087, 809	40	97, 133
New York	156	1, 592, 950	3, 400	66, 389	1, 662, 739	106	1, 363, 033	19	69, 332
North Carolina	1, 650	16, 045, 595	52, 905	1, 056, 942	17, 155, 442	1, 467	16, 198, 043	179	530, 418
North Dakota	351	3, 784, 510	3, 000	168, 032	3, 955, 542	252	3, 389, 234	76	321, 842
Ohio	146	1, 474, 240	1, 000	150, 714	1, 625, 954	113	1, 461, 693	20	63, 883
Oklahoma	563	5, 344, 340	13, 015	318, 919	5, 676, 274	483	5, 294, 360	72	229, 800
Oregon	98	1, 017, 960	0	36, 391	1, 054, 351	72	860, 060	15	61, 460
Pennsylvania	149	1, 410, 725	7, 000	74, 819	1, 492, 544	95	1, 251, 376	42	158, 499
Rhode Island	1	2, 600	0	0	2, 600	0	0	1	2, 500
South Carolina	699	7, 002, 320	950	688, 555	7, 691, 825	532	7, 200, 094	11	332, 441
South Dakota	297	2, 236, 640	5, 720	219, 331	2, 461, 691	136	1, 747, 668	85	267, 522
Tennessee	1, 238	11, 578, 085	1, 000	655, 659	12, 234, 744	1, 165	11, 657, 444	59	182, 794
Texas	898	8, 953, 370	20, 405	473, 614	9, 447, 389	784	8, 782, 732	110	385, 891
Utah	250	3, 143, 830	0	172, 415	3, 316, 245	204	3, 000, 789	44	245, 642
Vermont	11	72, 050	0	4, 210	76, 260	4	36, 610	4	4, 315
Virginia	344	3, 423, 530	0	238, 707	3, 662, 237	311	3, 393, 102	32	134, 671
Washington	175	1, 914, 299	0	62, 921	1, 977, 220	121	1, 614, 372	41	223, 129
West Virginia	312	3, 074, 550	3, 168	194, 875	3, 272, 593	242	2, 925, 166	68	269, 884
Wisconsin	321	2, 786, 400	1, 000	207, 565	2, 994, 965	147	1, 826, 682	76	297, 104
Wyoming	99	1, 077, 800	2, 500	32, 795	1, 113, 095	71	979, 381	25	85, 324
Puerto Rico	645	2, 520, 690	162, 400	55, 160	2, 738, 250	255	1, 967, 594	385	637, 640
Virgin Islands	33	427, 500	0	13, 225	440, 725	33	406, 000	1	0

Footnotes at end of table.

Rural housing loans: Funds obligated and furnished by borrowers, and use of funds, 1963 fiscal year¹—Continued

State and territory	Funds to new borrowers and grant-only cases						Number of subsequent loans and grants	Amount of subsequent loans, grants and loan costs ¹	Total amount of loans and grants	
	Use of funds									
	Other buildings (new and repair)		Water systems		Land purchase and development					Amount of fees
	Number	Amount	Number	Amount	Number	Amount				
	10	11	12	13	14	15	16	17	18	19
U.S. total:										
Percent distribution		2.1		1.5		(²)	0.7			
Amount	1,693	\$4,084,664	5,416	\$3,008,645	14	\$34,650	\$1,300,586	708	\$2,110,874	\$187,401,381
Alabama	52	132,030	528	213,606	0	0	112,308	26	88,253	12,352,853
Alaska	1	3,000	28	34,195	0	0	8,337	7	20,050	903,595
Arizona	0	0	6	6,977	0	0	4,931	0	0	715,386
Arkansas	41	105,426	536	262,507	0	0	55,678	42	81,384	7,586,139
California	14	181,910	35	33,841	0	0	17,192	7	40,130	1,761,160
Colorado	36	78,459	48	37,201	1	10,980	20,077	23	80,810	2,218,710
Connecticut	0	0	9	5,910	0	0	921	3	2,340	134,720
Delaware	0	0	0	0	0	0	1,900	0	0	208,555
Florida	14	43,945	116	52,289	0	0	25,007	15	59,410	5,763,913
Georgia	20	69,500	262	152,026	0	0	112,576	34	78,495	12,065,025
Hawaii	8	21,672	2	495	0	0	7,138	5	5,500	1,199,700
Idaho	51	38,040	51	38,315	0	0	17,073	8	40,938	2,339,243
Illinois	15	30,067	31	15,657	0	0	6,909	9	31,945	2,406,215
Indiana	7	4,831	15	9,050	0	0	5,745	3	10,275	2,305,314
Iowa	43	62,198	28	19,818	0	0	24,460	11	29,335	3,745,515
Kansas	54	82,451	47	31,353	1	3,650	15,289	15	41,525	2,930,630
Kentucky	35	46,485	221	125,220	0	0	41,939	15	48,836	5,717,246
Louisiana	19	14,600	70	27,876	0	0	45,002	8	24,313	4,404,433
Maine	58	229,624	54	59,169	1	3,650	13,186	45	113,193	1,978,563
Maryland	1	9,000	6	4,937	0	0	15,796	1	9,300	1,599,250

Footnotes at end of table.

Rural housing loans: Funds obligated and furnished by borrowers, and use of funds, 1963 fiscal year¹—Continued

State and territory	Funds to new borrowers and grant-only cases						Number of subsequent loans and grants	Amount of subsequent loans, grants and loan costs ²	Total amount of loans and grants	
	Use of funds									
	Other buildings (new and repair)		Water systems		Land purchase and development					Amount of fees
	Number	Amount	Number	Amount	Number	Amount				
	10	11	12	13	14	15	16	17	18	19
Massachusetts.....	10	\$53,316	2	\$2,900	0	0	\$1,070	1	\$3,627	\$113,627
Michigan.....	28	105,954	85	39,222	0	0	20,248	15	90,685	3,191,335
Minnesota.....	119	201,410	55	42,804	0	0	26,699	18	38,184	4,137,724
Mississippi.....	19	14,335	422	229,156	0	0	76,114	51	111,313	13,034,264
Missouri.....	40	55,041	198	180,978	1	\$180	19,972	40	60,797	8,030,837
Montana.....	7	12,924	28	26,934	0	0	10,909	7	12,516	1,383,166
Nebraska.....	29	55,995	27	16,272	0	0	10,051	0	22,109	1,741,829
Nevada.....	0	0	0	1,145	0	0	2,046	0	45	184,795
New Hampshire.....	10	13,875	9	6,185	0	0	2,380	1	1,000	426,350
New Jersey.....	11	61,890	19	12,722	0	0	8,754	8	13,152	1,519,262
New Mexico.....	12	22,732	46	42,225	0	0	8,752	7	15,922	1,215,142
New York.....	42	187,491	31	23,708	0	0	19,175	2	24,134	1,620,484
North Carolina.....	32	40,453	705	230,310	1	6,590	149,628	22	58,921	16,167,421
North Dakota.....	81	138,810	77	68,442	0	0	37,214	12	39,396	3,826,906
Ohio.....	34	87,158	16	6,925	0	0	6,295	11	52,150	1,527,390
Oklahoma.....	40	63,219	147	68,343	0	0	20,552	12	37,345	5,394,700
Oregon.....	39	116,174	11	10,005	0	0	6,652	14	61,955	1,079,915
Pennsylvania.....	25	56,313	28	15,117	0	0	11,239	24	79,258	1,496,983
Rhode Island.....	0	0	0	0	0	0	100	0	0	2,600
South Carolina.....	12	4,970	229	84,047	0	0	70,273	19	53,856	7,067,126
South Dakota.....	142	362,200	61	66,213	0	0	18,088	25	73,302	2,315,662
Tennessee.....	40	86,903	440	251,276	0	0	56,327	29	70,670	11,649,755
Texas.....	57	91,828	185	147,589	0	0	39,349	15	52,348	9,026,123
Utah.....	21	52,850	6	6,460	0	0	10,504	0	38,587	3,182,417
Vermont.....	13	34,345	1	300	0	0	690	3	15,200	87,250
Virginia.....	10	7,850	206	90,429	0	0	36,185	7	8,931	3,432,461
Washington.....	32	82,352	32	41,423	1	1,630	14,314	16	87,867	2,002,166
West Virginia.....	7	5,941	111	49,071	0	0	22,531	7	13,244	3,090,962
Wisconsin.....	275	803,252	57	43,010	0	0	24,917	35	122,314	2,909,714
Wyoming.....	6	28,345	13	10,892	1	900	8,253	6	10,440	1,090,740
Puerto Rico.....	31	83,500	54	31,100	7	10,300	8,116	0	35,520	2,718,610
Virgin Islands.....	0	0	18	33,000	0	0	1,725	0	0	427,500

¹ In addition, 8 insured labor housing loans for \$221,450 and 2 insured rental housing loans for \$117,000 were made.

² "Loan costs" represent the amounts advanced to borrowers for such purposes as the payment of taxes, insurance premiums, etc. Loan costs appear opposite 2 States

reporting no number of loans. This column also includes grants for \$4,870 to 14 individuals included in col. 17.

³ Less than 0.05 percent.

Mr. STENNIS. Mr. President, will the Senator yield to me so that I may make a brief answer to the Senator from Colorado?

Mr. HOLLAND. I yield.

Mr. STENNIS. The Senator may find that in some villages and small towns a few loans have been made, the applicants having met the requirement of a productive capacity in agricultural products in an amount up to several hundred dollars a year. I do not know exactly what the amount is. I believe it is \$500, or something like that. The property owners become qualified and meet the requirements through having a peach orchard or something of the kind which brings in revenue. But such farms are very few and very scant. I do not know that the practice is now in effect.

The loans are intended to be bona fide loans for rural areas. There has been a liberalization of the definition of "area" in that it would cover a small farm owned by a man who works in a factory and is a part-time farmer.

Nevertheless, that farmer would be one of the best risks and perhaps one whose needs for a loan in order that the family might live in the community are great. In that way the need for the program builds up.

Mr. ALLOTT. Is there any possibility of loans being made unless the dwelling is coupled with some agricultural production, either by way of vegetable farming or something of that sort?

Mr. STENNIS. The Senator from Mississippi understands that the property must be associated with some agricultural production.

Mr. ALLOTT. If a person had land on the outskirts of a rural community

or a relatively small town, and even though the area were subdivided, and part of it were included in a subdivision, that person would be eligible for a loan if he had agricultural productive capacity coupled with his dwelling. Is that correct?

Mr. STENNIS. The Senator is correct, although I do not believe it would extend or ever extends to what would ordinarily be called a subdivision. They are small towns. The people have orchards or vineyards. They grow melons or engage in other agricultural production. In that way they could qualify.

Mr. ALLOTT. Mr. President, those questions have been raised with me, and I thank Senators for their assistance.

Mr. HOLLAND. We are all interested in rural housing. We want to know exactly what the provision means. My understanding is, as stated in the RECORD, that the provision is to tide us over until we can consider appropriate legislation early next year.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. CARLSON. I have one or two questions I should like to ask. Through the kindness of the distinguished committee chairman, the Senator from Florida [Mr. HOLLAND], I was permitted to appear before the subcommittee and speak on behalf of increased appropriations for the Soil Conservation Service. I should like to ask the distinguished chairman if increased appropriations over the House amount for that work are provided in the bill, what the amounts are, and how they will be available for next year.

Mr. HOLLAND. For conservation op-

erations, the committee partially restored the budgeted amount. Whereas the House had cut it from \$99,453,000 to \$97 million plus, we restored the item to \$99 million.

Mr. CARLSON. Would that make the total at the present time \$200 million?

Mr. HOLLAND. Thereabouts. That subject was included in my earlier statement, which has already gone to the reporter.

Mr. CARLSON. It would be roughly \$200 million if the appropriation were increased \$99 million over the House figure. Is that correct?

Mr. HOLLAND. Let me be entirely clear as to the request the Senator is making. Is the Senator talking about ACP or another aspect of the soil conservation program?

Mr. CARLSON. I speak of the Soil Conservation Service, as so recognized, which does soil conservation work, rather than the ACP program. If the distinguished chairman does not have the information available at this moment, I shall be happy to have it printed in the RECORD.

Mr. HOLLAND. I have the information. On page 37 of the report of the committee the Senator will find tabulated all the information concerning the soil conservation service appropriations.

For conservation operations the budget estimates were \$99,453,000, and the Senate committee recommendation is \$99 million, which represents a raise of the House figure by \$1,520,000.

For watershed protection the amount recommended is \$63,992,000, which is the full budget estimate for 1964.

For flood prevention the amount recommended is \$25,465,000, only \$111,000

short of being the entire budget estimate of \$25,576,000.

For the Great Plains conservation program, the recommendation by the Senate committee is in the full amount of the budget estimate, \$14,640,000.

For resource conservation and development the Senate committee recommends the same amount as the House, namely, \$1,200,000. That is the new program we adopted under the agricultural bill passed in 1962.

I believe that covers all of the activities of the Soil Conservation Service. The total of those appropriations, as recommended by the Senate committee, is \$204,297,000, an increase over the House allowance of some \$3,936,000.

The Senator will find a complete breakdown of the five activities of the Soil Conservation Service in the compilation to which I have referred.

Mr. CARLSON. I appreciate very much receiving this information. If I read the table correctly, the total appropriations in 1963 for this same type of program were \$193,031,250.

Mr. HOLLAND. The Senator is correct.

Mr. CARLSON. This year the amount approved by the Senate committee is \$204,297,000.

Mr. HOLLAND. The Senator is correct.

Mr. CARLSON. This is a program which I know has great value in the rural areas of our Nation. I am pleased to see the increase recommended over the amount provided last year. I hope that in the conference the distinguished chairman and other members of the committee will be able to hold the amount as near to that figure as possible.

Mr. HOLLAND. I thank the Senator. We will endeavor to do so.

To complete the figures put in the Record by the Senator, the same compilation shows the Senate committee allowance to be \$11,265,750 more than the appropriations for last year.

Mr. CARLSON. I can state from personal knowledge that this is a very worthwhile program, of great benefit not alone to the rural areas of our country, but also to our Nation, because of the conservation program.

Mr. HOLLAND. I agree with the distinguished Senator. There is no more important form of farm program operation than conservation of our resources of soil and water. That is what the program is addressed to.

Mr. CARLSON. We are doing exactly that with the program. It is well handled and administered on the farms of the Nation.

Mr. HOLLAND. I thank the Senator. That has been the observation of the Senator from Florida, also.

Mr. CARLSON. There is a second item about which I should like to ask the Senator. I appeared on March 25 and stated my views also in regard to the establishment of a grain marketing research center in Manhattan, Kans. There is at Manhattan, Kans., one of the great agricultural colleges of the Nation. I appeared before the chairman and stated that the university itself has

offered to deed to the Federal Government a site of 5 acres of land with ready access to electricity, water, and sewerage, adjacent to the college, on a surfaced road, for the establishment of a grain marketing research center.

I wonder if the distinguished chairman of the committee can tell us what action, if any, was taken in regard to a grain marketing research center.

Mr. HOLLAND. I must say to my friend that his persuasion overcame the committee; and we included for this purpose an item of \$25,000. If the Senator has before him the committee report, I refer him to page 20, where he will find the item included, about two-thirds of the way down the page. It states:

Also included is \$25,000 for the same purpose—

That refers to the earlier program immediately above—

in regard to the need, cost, and related pertinent factors relative to a national grain marketing research facility. The committee expects that both of these reports will be submitted to it prior to the hearings on the agricultural budget requests for fiscal year 1965.

The committee followed its usual course in this matter. When there is a request for a new facility and the request seems to have great merit, we ask the Department to make this kind of investigation and report. In this instance, we requested that it be made prior to consideration of the appropriations next year.

Mr. CARLSON. That is a fine way to handle the problem. I serve notice now to the chairman that I wish to have the privilege of coming before the committee next year, again to present what I contend to be the benefits of location of this center at the Kansas State University at Manhattan, Kans. I am personally convinced, since I come from a grain-producing area—not merely wheat, but all grains—that we should have such a program. I sincerely hope the report we will get will recommend that a grain marketing research center be established.

Mr. HOLLAND. We shall have to await the report of the Department. In the meantime, it seems to me the request comes most appropriately from a Senator representing the State which produces more wheat than any other, and from an institution known for the thoroughness of its research in all agricultural fields.

Without attempting to prejudge the matter at this time, we will await with interest the report of the Department of Agriculture on this proposed program.

Mr. CARLSON. Would the distinguished chairman have any objection if I asked unanimous consent to place in the Record the statement I made before his committee?

Mr. HOLLAND. I shall be happy to have that done. I yield to the Senator for that purpose.

Mr. CARLSON. Mr. President, I ask unanimous consent that the statement I made before the Subcommittee of the Committee on Appropriations on March 25 in regard to the establishment of a grain marketing research center in Manhattan, Kans., and information in

regard to the need and location of it, may be printed in the Record at this point.

There being no objection, the statement was ordered to be printed in the Record, as follows:

STATEMENT BY SENATOR FRANK CARLSON IN BEHALF OF ESTABLISHMENT OF GRAIN MARKETING RESEARCH CENTER IN MANHATTAN, KANS.

Mr. Chairman, I very much appreciate the opportunity of again appearing before you to ask for funds for the establishment of a grain marketing research center at Manhattan, Kans. You might say that I do not give up easily. I assure you that I will be coming back every year until we get this laboratory. The sad part about it is that I have to ask for more money every year with the prices of everything, including construction, going up.

The grain marketing research center I propose would be the type of activity that is a function of marketing research in the Agricultural Marketing Service of the Department of Agriculture. The chief objective of this proposed grain research center would be to develop new and more efficient ways of making U.S. grain and grain products more desirable to domestic and foreign buyers and users. As we know, we have the most productive and efficient agriculture in the world. It is the envy of every other nation. But in the end, its strength and well-being will continue only if it has markets for its products. Farmers will be able to benefit from the greater productivity of their land and machines only if a broader marketing base can be found for the greater output. Marketing research of the type covered by this proposal is one of the approaches we must use if we are going to find the outlets we need.

When I appeared before you last year, we thought we could construct the building and related facilities for an estimated \$2,050,000, but this year the Department of Agriculture gives me an estimate of \$2,230,000 for construction costs, plus \$500,000 for furnishings and other equipment; \$500,000 for salaries (including those personnel already employed); and an annual operating expense of \$400,000 to \$500,000.

We do not need all of this money in fiscal 1964. In fact we could not use it all. If the committee could see its way clear to appropriate \$180,000 which is the amount the Department of Agriculture estimates they need for architectural design, surveys, soil test and a small amount of research, we could get started.

Then next year, I shall be back and ask for construction money.

Kansas State University, located at Manhattan, Kans., is considered the outstanding agricultural university in the Nation. The university itself has offered to deed to the Federal Government a site of 5 acres of land with ready access to electricity, water, and sewage adjacent to the college on a surfaced road for the establishment of the grain marketing research center.

I very much appreciate the opportunity of appearing before you again, and I do not feel that I should take up any more of your time pointing out the great importance of this research center. However, at this point I would like to show the members of the committee the enclosed brochure which I would like to have made a part of the printed hearings.

Thank you very much.

FEDERAL GRAIN MARKETING RESEARCH CENTER
(A statement of the advantage of Manhattan, Kans., as the location of this U.S. Department of Agriculture Research Center)

LOCATION OF THE GRAIN MARKETING
RESEARCH CENTER

Kansas is the center of the Great Plains region, the most important grain-producing

area in the United States. It is also strategically located between the Corn Belt and the grain-producing areas of the Southwest. Wheat, grain sorghum, corn, barley, oats, rye, and an increasing output of soybeans constitute the major grain crops of this region. An extensive system of local, subterminal and terminal grain handling, storage, and milling facilities provides ample opportunities for research with the grain trade. Excellent co-operation in research efforts exists, both with private firms and cooperative associations. Kansas City, Wichita, Salina, and Hutchinson are all major grain marketing centers. Many associations of grain handlers and producers maintain their headquarters in the region, and Kansas City and Manhattan are favorite locations for conventions and meetings of grain trade groups. Manhattan, and Kansas generally, serve as focal points for visits of a large number of foreign officials and technicians interested in the grain trade. Manhattan is also centrally located with respect to agricultural experiment stations in Missouri, Oklahoma, Nebraska, South Dakota, Iowa, and Colorado, all important grain-producing States.

USDA AGENCIES IN MANHATTAN

Manhattan already serves as a focal point for many USDA services to the farmer, the grain trade, and the processor. The following Government agencies are located in Manhattan:

- (a) Stored-Product Insects Laboratory, Agricultural Marketing Service.
- (b) Handling and Facilities Research, Agricultural Marketing Service.
- (c) Agricultural Engineering Research, Agricultural Research Service.
- (d) Hard Winter Wheat Quality Laboratory, Agricultural Research Service.
- (e) Entomology Research Division, Agricultural Research Service.
- (f) Soil and Water Conservation Research, Agricultural Research Service.
- (g) Agricultural Stabilization and Conservation, ASC.

All of these established Federal Government agencies would be able to provide, readily, advice and assistance to the new Research Center when requested. Also the staff of the Grain Marketing Research Center could be of great assistance in a similar manner to the Government agencies located in Manhattan.

FACILITIES AT KANSAS STATE UNIVERSITY

Manhattan is the location of the land-grant university of Kansas which has research programs capable of producing direct support to the work that would be done in the proposed Grain Marketing Research Center. Members of the university research staff in entomology, milling, animal sciences, agronomy, engineering, biochemistry, bacteriology, botany and plant pathology, business, economics, and statistics would be available for close consultation and for service in advisory capacities when requested. Kansas State University has a network of 16 branch stations and experimental fields each of which is staffed with professional scientists, thus providing for wide knowledge of climate, soil, and variety information. These facilities could assist the new Marketing Center in obtaining grain varying in marketing characteristics.

Kansas State University is the center for teaching and research in milling and feed processing. Complete pilot plant equipment is available for grain storage, cleaning, and processing. Industry has provided much of the equipment and funds which have made the university unique in this area in having a department of flour and feed milling industries. It was the desire of industry as well as of the university that the equipment supplied should be used for the greatest public good. These facilities would serve the Grain Marketing Research Center for cooperative work on problems related to grain marketing.

It would require several million dollars of public funds if these pilot plant facilities were to be duplicated, and in addition, trained operators would be required which would add to an already expensive operation. The department of flour and feed milling industries has also a library containing important journals and literature in the field of cereal technology which would be available to the Grain Marketing Research Center personnel.

The university is nationally recognized for the excellence of its research and teaching in grain marketing and related subjects. Kansas State University is well known for the contributions made in developing new varieties of wheat, sorghum, and other grains. Excellent library facilities are available including a wheat reference library. The university has a statistical laboratory and computer center with IBM 650 and 1620 computers available for use. Many conferences are held at the university on grain quality, grain storage, stored-grain insects fumigation, and fumigation safety. Meetings are held often for flour millers, cereal chemists, grain elevator managers, and feed processors, and on agricultural-business subjects. The following are examples of the types of meetings held in Manhattan:

Conference name and attendance

Dairy Progress Days.....	100
Kansas Farmers Union.....	400
Grain and Feed Industry Business Management Conference.....	60
Farm Business Days.....	160
Agricultural Experiment Station Conference.....	166
Crop Improvement Association.....	125
Fumigation Conference.....	178
Crop Management Conference.....	126
Kansas Restaurant Association Conference.....	60
PCA Operations Institute.....	60
Association of Operative Millers.....	138
Agricultural Engineers Farm Equipment Conference.....	3,500
Kansas Academy of Science.....	450
Feed Plant Feasibility Conference.....	40
Publication Workshop.....	132
School Lunch Workshop.....	139
Home Economics Housing Conference.....	82
American Association of Cereal Chemists.....	100
Kansas Formula Feed Conference.....	300
Kansas Wheat Commission.....	25
4-H Roundup.....	1,300
FFA Field Day.....	1,200

Many State and National farm organizations meet regularly in Manhattan.

RESEARCH FACILITIES

In addition to the research facilities of the university and several agencies of the USDA, Manhattan is the home of Agri Research, Inc., a new private agricultural research agency. This organization is located in a new area known as Research Park which provides an ideal location for encouraging other research organizations to locate in Manhattan.

Agri Research, Inc., is engaged in a number of projects relating to grain marketing, both domestic and foreign. This work adds to the concentration of agricultural marketing research capabilities in the area.

OTHER ADVANTAGES OF MANHATTAN AS THE LOCATION OF THE GRAIN MARKETING RESEARCH CENTER

A location away from a highly congested population center has many advantages with respect to pleasant living conditions, convenience, and travel between home and office or laboratory, with absence of slums, juvenile delinquency, and other undesirable social conditions. Community and service facilities at Manhattan are excellent. The city, its schools, nearby recreational facilities, transportation (rail, air, and bus) and cul-

tural and scientific community are excellent. Adequate service utilities such as electricity, water, and gas, together with architects and general contractors are available.

Manhattan has unexcelled health facilities including two new, large hospitals, clinics, and two new homes for the aged. Religious life flourishes and is expressed in 31 denominations and 29 churches. There are adult evening classes conducted by the high school and extension courses offered by the university. There is also the opportunity for graduate study at the university.

Manhattan is a modern city of 23,000 population. University students and others associated with university work add an additional 10,000 persons during part of each year.

Manhattan supports an artist series, a civic orchestra and band, excellent art exhibits, and a well-patronized public library among its cultural attractions. The city employs a full-time recreation director and the recreational program for boys and girls during summer vacation periods has attracted nationwide attention. The city maintains several parks and a zoo. One large park with a swimming pool is located in the center of town where it is within easy access to young and old alike. Tuttle Creek Reservoir will provide complete recreational facilities including swimming and boating, and there are both public and country club golf courses. Kansas State University athletic contests in the Big Eight Conference are of interest to sports lovers. In addition, Manhattan is only 2 hours by car or 45 minutes by plane from Kansas City where there are many outstanding cultural and recreational assets. There is also good hunting and fishing in Kansas.

Kansas is not only the geographical center of the United States, but is the center for the production of food and feed grain; therefore, marketing research is of primary concern to the area. The 10-year average production of grain crops, principally wheat, sorghum, and corn, on the average, in Kansas, amounts to 353 million bushels. There are extensive processing plants for these grains in Kansas. In flourmilling, for example, Kansas is the leading State with a capacity of 40 million hundredweight per year. Kansas also leads all other States in total storage of grain with a capacity of approximately 780 million bushels.

The city of Manhattan is now the focal point for grain research in the United States. This has come as a natural consequence from the importance to the economy of the region of the production of grain, and its storage, transportation, processing, and marketing. The greatest possible service at the least cost to the public would be to establish the Grain Marketing Research Center in Manhattan where it would be among other research agencies which could supplement its services.

Mr. CARLSON. I thank the distinguished Senator from Florida.

Mr. HOLLAND. I thank the Senator from Kansas for bringing up this important matter.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield to the Senator from Colorado.

Mr. ALLOTT. I appreciate very much the courtesy of the distinguished Senator in yielding further. I did not have this correspondence available to me previously.

I am sorry the distinguished Senators from Mississippi and Alabama have left the Chamber, but perhaps the Senator will permit me to put this in the Record later, and we can get the facts straightened out.

I read a portion of a letter I have received:

I am getting quite concerned about the loans being made by the Farmers Home Administration to individuals who are building houses near towns. I notice in our Record of Instruments for the past week a trust deed from Gary Speckman to the Farmers Home Administration due August 30, 1999, on property located in the West-Meadow Subdivision at Aspen. We have had similar instances in Glenwood, and I understand that several are in the process of the same type.

And then he goes on to discuss it.

I have also received two telegrams of the same general tenor and import.

I wonder if perhaps by tomorrow the Department could give us further information.

I do not think it was intended that this particular legislation would provide for the financing of housing in subdivisions adjacent to towns. Although I do not have the specific information available to me in this letter, I doubt very much that there would be any considerable agricultural activities being carried on upon this particular piece of property, although it might well be that it qualifies.

In order that the RECORD may be clear, will the Senator permit me to make as part of my remarks at this point the letter from Mr. Bell, a telegram from Mr. Neet, and one from Mr. Hall?

Mr. HOLLAND. I am very glad to do that, and I join in the request that this material be incorporated in the RECORD.

There being no objection, the letter and telegrams was ordered to be printed in the RECORD, as follows:

BELL REALTY Co.,
Glenwood Springs, Colo.,
September 11, 1963.

HON. GORDON ALLOTT,
U.S. Senate, Washington, D.C.

DEAR GORDON: I am getting quite concerned about the loans being made by the Farmers Home Administration to individuals who are building houses near towns. I notice in our Record of Instruments for the past week a trust deed from Gary Speckman to the Farmers Home Administration due August 30, 1999, on property located in the West-Meadow Subdivision at Aspen. We have had similar instances in Glenwood, and I understand that several are in the process of the same type.

I may be confused but I wasn't under the impression that the Congress of the United States passed any act which would, by its stupid maturities and interest rates in the present market, allow people to build houses in subdivisions. This is a gimmick which is neither justified nor fair to the lending business.

If this bill was passed to help farmers obtain housing which could not be financed in other ways I do not believe that anyone in our industry would have a beef, but when it gets into the lending of money, more particularly the taxpayers' money, to individuals who lack the necessary down payment to purchase or build property, I feel that it has gone far from the reason for the existence of this type loan.

I would appreciate your comments on it, and also as to what could be done to get rid of a piece of legislation which can only lead to cost for the Government. No-down-payment loans certainly are not going to be very good collateral.

Kind personal regards.

Sincerely,

C. B. BELL.

DENVER, COLO.,
September 17, 1963.

HON. GORDON ALLOTT,
U.S. Senator,
Washington, D.C.:

We urge that you oppose the Holland amendment of section 511 of the Federal Housing Act that would increase by \$25 million the funds available to the Federal Housing Authority for nonfarm housing.

This is bill H.R. 6754.

VICTOR B. NEET,
Manager, Farm & Ranch Loan Department,
Van Schaak & Co.

DENVER, COLO.,
September 18, 1963.

GORDON ALLOTT,
U.S. Senate Office Building,
Washington, D.C.:

The folks I talk with want the Congress to resist executive usurpation of its responsibility for spending our money. You can begin by defeating Senator HOLLAND's proposed amendment to H.R. 6754 to give the Farmers Home Administration \$25 million for nonfarm housing.

How ridiculous.

HENRY C. HALL.

Mr. HOLLAND. Mr. President, I hold in my hand a copy of the act as amended. This particular section is quite long. It might be well, while we are discussing other matters with Senators, for the distinguished Senator from Colorado, who is an able lawyer, to review this particular section of the act, which I now hand him, and see whether it throws any light on the location required by the act to be an appropriate site for a loan for the construction of rural housing. If there are other eligibility requirements which give him concern, I shall be glad to answer the questions.

I am sorry we do not have in our brief any résumé of that act, but that is the section of the act under which loans are made, and as to which the increased authorization recommended by the committee would apply.

I notice that the Senator from Mississippi [Mr. STENNIS] is in the Chamber. I ask that he give attention to that matter.

Mr. STENNIS. Mr. President, will the Senator briefly state the point? I was reading the letter.

Mr. HOLLAND. The Senator from Colorado has just placed in the RECORD certain correspondence which has reached him from constituents, indicating that loans have been made, as stated in the letter, near the town of Aspen in two particular subdivisions. The question arises as to what the requirements of the act are as to the rule of eligibility laid down in the act.

Mr. STENNIS. I thank the Senator from Florida. The Senator from Mississippi was glancing through the same letter.

Mr. ALLOTT. Mr. President, the Senator from Florida has brought to my attention, this particular section of the act, which defines eligibility under the law. Since this section provides that anyone who produces \$400 in gross value may be defined by the Secretary as having property qualifying as a farm, I suggest that perhaps subsection (b) of section 501, 42 U.S.C. 1471, be placed in the RECORD in its entirety. This would clear the matter up and show the authority of

the law and also the authority of the Secretary to make such a determination.

Mr. HOLLAND. I shall be glad for that course to be followed. I make the request that the section mentioned by the Senator from Colorado be incorporated in the RECORD.

There being no objection, the section was ordered to be printed in the RECORD, as follows:

RURAL HOUSING—TITLE V, HOUSING ACT OF 1949, AS AMENDED

FINANCIAL ASSISTANCE BY THE SECRETARY OF AGRICULTURE

Section 501 (42 U.S.C. 1471): (b)(1) For the purpose of this title, the term "farm" shall mean a parcel or parcels of land operated as a single unit which is used for the production of one or more agricultural commodities and which customarily produces or is capable of producing such commodities for sale and for home use of a gross annual value of not less than the equivalent of a gross annual value of \$400 in 1944, as determined by the Secretary. The Secretary shall promptly determine whether any parcel or parcels of land constitute a farm for the purposes of this title whenever requested to do so by any interested Federal, State, or local public agency, and his determination shall be conclusive.

Mr. HOLLAND. It would appear from the Senator's reading of the section that probably the situation suggested earlier by the Senator from Colorado exists; that is, a person operating a small but profitable chicken business, or berry business, or fruit business, on a lot in a suburban subdivision, provided the business exceeds the figure read by the Senator, could have his lot qualified as a site for such a loan. At any rate, the act will speak for itself.

Mr. ALLOTT. I appreciate the Senator's statement. I think the act is pretty clear as to what is envisioned as being within its scope.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield to the Senator from Mississippi.

Mr. STENNIS. The Senator from Mississippi has some additional remarks to make on the general subject of housing, but will make those remarks later.

I wish to ask the Senator from Florida one or two questions. At the bottom of page 3 of the print of the bill there is the beginning of the reference, in the Senate amendment, to the \$35 million to be transferred from the Commodity Credit Corporation for agricultural research.

The Senator from Mississippi could not be present in the Chamber when the general subject matter was discussed by the Senator from Florida. For the time being I wish to refer to this item and ask the Senator a question about it. The provision is clear that this language is for utilization research. Language was also provided for increased production research.

Mr. HOLLAND. The Senator is correct.

Mr. STENNIS. Those items are to be considered by the Senate now, and by the conferees later, not necessarily as a joint item, but as two undertakings.

Mr. HOLLAND. The bill came to the Senate from the other body with provision for \$5 million to be made avail-

able for the cost of production research. The Senate committee felt it should follow the policy which was followed for 2 or 3 prior years—I do not remember just how long—in putting in the bill several million for acceleration of utilization research. Upon the urgent request of the Senator from Mississippi, earlier wording of the field to be covered by the \$35 million for research, and as outlined in the Department's report, which has now been printed as Document No. 34, has been enlarged to cover cost of production research.

The Senator is correct in his statement.

Mr. STENNIS. I thank the Senator. The Senator from Mississippi is interested in all research, of course, but because cotton is a major commodity in his State he has a major interest in it.

The Senator from Florida will agree, will he not, that in the case of cotton, one of the major ways to have it utilized and off the hands of the Government is to reduce the cost of producing it, thereby making it more competitive?

Mr. HOLLAND. If it would result in a lower support price, that is correct, because the level of the whole price structure has been so great as to interfere with favorable competition of cotton with synthetic fibers, in particular, and perhaps with some foreign cotton. So I believe the Senator is proceeding in the right direction. The committee was glad to follow the suggestion of the Senator from Mississippi.

Mr. STENNIS. Cotton is a commodity that could come in either door—utilization research or cost-of-production research.

Mr. HOLLAND. Is the Senator suggesting that more of us ought to wear cottons shirts, exclusively?

Mr. STENNIS. The Senator from Mississippi is always favorable to that kind of advertising, and thanks the Senator for that contribution.

Mr. HOLLAND. Mr. President, I have no further matters to discuss at this time, unless Senators wish to ask questions. I have been following what I understood had been stated on the floor by the acting leader before I came in, to the effect that there would be no votes today.

It is now 20 minutes to 5. I shall await the suggestion of the acting majority leader.

Mr. WILLIAMS of Delaware. I have no objection to starting on these amendments now. I will not ask for a ye and nay vote on all the amendments. Some of them I may agree to. The only reason I raised any question is that the President, in submitting the budget claimed a saving of \$928 million in the operation of the agricultural program. I do not for a moment question his sincerity in making that statement; but I cannot reconcile it with their financial reports, and there are those who are very suspicious. To allay these suspicions, I merely ask that we be told where that saving is to be found. I have not been able to find it. I mention that point in particular because I notice that in the bill which is now before the Senate the appropriation called for is

\$6,046,738,340. The comparable report which was passed by the Senate last year, for the same Agriculture Department, showed the appropriation to be \$4,774,983,000. That makes a difference of approximately \$1,300 million which is the amount by which the present bill exceeds the one of last year. How can anyone say that an appropriation of \$1,300 million more for the agency this year represents a saving of approximately \$900 million? That is something that I cannot understand. I am sure that someone on the New Frontier can explain it and that is what I am waiting for.

Personally I am convinced that there is no such savings.

Mr. HOLLAND. The Senator from Florida believes the figures found on page 1 of the committee report to be correct. The figures show that the amount appropriated for 1963, which includes both the original and supplemental appropriations, was \$6,007,599,910. The amount in the pending bill, as reported to the Senate, is \$6,046,738,340. It is stated very clearly that the amount of the bill as reported exceeds the 1963 appropriation by \$39,138,340. The Senator will find those figures on page 1 of the report.

Mr. WILLIAMS of Delaware. That is correct.

Mr. HOLLAND. The Senator will also find that the bill is \$322 million under the budget estimates for this year. That figure also appears on page 1 of the committee report. The committee felt that it was justified in reporting a bill which cut the budget estimate by that amount, which is no inconsiderable amount. The Senator from Florida is not responsible for any further figures than those stated in the report and appearing in the bill.

Mr. WILLIAMS of Delaware. I appreciate that. Not for a moment would I want what I have said to indicate that I question the sincerity of the report of the Senator from Florida and his committee. I have examined the reports. I believe the reports show a true picture. But my point is that the same reports do not support the administration's claim that there has been a \$928 million reduction in the cost of the administration of the agricultural program as compared with last year. If I am in error and anyone thinks the claim can be supported I wish he would explain it to me, because I cannot see it.

Mr. HOLLAND. I am not familiar with that subject matter; therefore I shall leave it to some other Senator to explain it. I have also referred the Senator to the figures, which I have already stated, showing a comparison between the bill as reported and the appropriations of last year. I have shown what those figures were, as well as the requests this year in the budget estimates.

Mr. WILLIAMS of Delaware. I am sure the Senator will admit that before the year is out there will be a supplemental appropriation bill to consider to restore some money for the Commodity Credit Corporation. They have already sustained the loss, and no provision has been made for appropriations to cover this loss. These losses have already been sustained. The fact that they are not

being written off this year does not mean that anyone should go out and boast of the fact that we have reduced the cost of operating the programs. The cost is still there even though it is hidden.

I am sure the Senator agrees that we must include in the cost of the agriculture program not only what we spent, but the actual losses sustained by the Commodity Credit Corporation. The actual losses have been sustained; whether we make the reimbursement this year, next year, or the year after is not the point. My complaint is that the administration is not presenting a true picture when it says that the cost of the program has been reduced by \$928 million. In reality it has cost nearly a billion and a half more than the year before. They are not presenting to the public the true picture of the cost of their vast spending programs.

Mr. HOLLAND. The Senator from Florida has no information as to the claim the Senator has referred to, but he invites attention to the fact that there is no possible way under high heaven of stating at this time what the total reimbursements required for the Commodity Credit Corporation may be.

There are vast quantities of commodities on hand. The world market might take a jump upward in cotton or in wheat, and that could very shortly make a great difference in the reimbursement appropriations that would have to be made to the Commodity Credit Corporation.

The Senate committee, as I stated in my original statement, felt that the House committee had not been sufficiently realistic on this point. Therefore, we restored some of the amount requested to reimburse the Commodity Credit Corporation for 1962 losses, which had been stricken by the House. However, as I recall, we still left \$100 million yet to be considered.

Mr. WILLIAMS of Delaware. I am reading from the most recent report, dated May 31, 1963, a copy of which I have in my hand. In the report, on page 10, I find this statement:

Unrestored, realized losses sustained for fiscal year 1961, \$1,057,047,169.73.

Unrestored, realized losses for fiscal year 1962, \$2,799,400,162.73.

Through May 1963 there is another \$2,436,569,004.27 listed as realized loss.

Altogether they have unrestored and realized losses and reserves—these are not projected losses, but sustained losses up to this time—totaling \$7,799,173,336.73. They are actual losses for which no appropriation has as yet been made.

My point is that someday we shall have to appropriate the money with which to cover them. That loss has been sustained. We sold the goods. They are gone. The Commodity Credit Corporation has borrowing authority of \$14½ billion. It now owes \$13,325 million. That is the outstanding obligation. There is only a little less than \$6 billion in inventory on hand. The rest is represented by the losses that have been sustained and the commodities that have been sold.

We shall not recover that amount; whether it is written off this year or

whether it was written off last year is not the point. It must ultimately be written off. What I am objecting to is the administration's argument that by accumulating these losses and postponing the day when they are written off, there has been a reduction in the cost of Government. In reality someday we shall shock the taxpayers of the country with an \$8 billion writeoff.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. SMATHERS. Over what period of time have these losses been accumulating?

Mr. WILLIAMS of Delaware. The report covers fiscal years 1961, 1962, and up through May 1963. There have been earlier losses. These losses have already been sustained. If we do not appropriate the money this year to take care of the total losses we are not reducing the cost to the American taxpayers in the operation of the program.

All I am trying to get is an acknowledgement of the true facts for the taxpayers. Whether the appropriation is included in the pending bill or in some other bill is immaterial. I do not know how anyone can claim that by not writing off the losses this year we are saving the taxpayers money. We are not doing so. The money is gone.

Mr. HOLLAND. I am sure the Senator is not referring to the Senator from Florida as having made that claim.

Mr. WILLIAMS of Delaware. Not at all.

Mr. HOLLAND. I have stated what our committee has done. It has restored to the bill about \$200 million of the amount claimed as needed to restore the capital structure of the Commodity Credit Corporation for losses in fiscal 1962.

One hundred million dollars is still left unrestored. I have said to the distinguished Senator from Delaware that no one can tell with certainty what the total picture will be before end of this fiscal year is reached, because quick increases or decreases in the value of surplus commodities make much difference, and they occur quickly.

I hear rumors of our possibly having to sell large amounts of wheat somewhere. I hear rumors that the value of corn has gone up. Someone told me the price had recently risen 25 cents a bushel. I do not state that as a fact, because I do not know if it is true. It is not our business to know that. Our business is to make a reasonable reimbursement appropriation to the Commodity Credit Corporation at this time, knowing perfectly well that perhaps before the fiscal year has ended a supplemental bill may be before us again as has happened in previous years.

So my hope is that the Senator from Delaware will at least allow the committee to claim credit and responsibility only for carrying out its own duties. We have tried to make a reasonable restoration to the Commodity Credit Corporation. We have raised the figure as it came over from the other body by about \$200 million, because we thought it was

reasonable to do so, but we have still left a cushion of \$100 million.

Perhaps that is not a sound way to proceed, but we believe it is a sounder and more realistic way to proceed than the approach of the other body to the problem. I believe the distinguished Senator from Delaware, who is well known for his careful handling of all financial accountings, will recognize it as a more careful and more correct way of handling the matter. At least, we hope he will find no fault with this committee's actions.

As to what others may say about what has been saved by the general operations in agriculture: First, I have no information on that subject; next, I have no responsibility on that subject. We have been dealing with a specific request for reimbursement in a specific amount, which we have granted in larger measure than was granted by the other body, because we thought it was realistic, fair, and reasonable to do so. I believe the Senator from Delaware feels it was fair to act in that way rather than to leave the much larger difference between the admitted loss, already incurred, and the restoration made.

Mr. WILLIAMS of Delaware. I am not criticizing the actions of the committee or the Senator from Florida. What he has said is true. The difference in what we are saying is that the Senator from Florida very properly is pointing out that the committee has restored approximately \$200 million over the House figure, which still leaves the amount only about \$100 million below the budget request. To that extent what the Senator from Florida has said is correct. My argument is that in submitting the budget the administration did not give the true picture of the amount of these losses.

Mr. HOLLAND. I thank the Senator from Delaware for that statement. I thought that was his point of view. I have observed how cautious and careful and how nearly always accurate he has been in his approach.

Mr. WILLIAMS of Delaware. If the Senator will wait, I will show him where we differ. It is not that I differ with him as to the handling of the budget request. My argument is that the budget sent to Congress did not include actual losses that had been sustained. The Budget asked Congress to reimburse the CCC for only a part of the losses actually sustained. That is where the false claim of cutting the cost of the program develops.

I am speaking of losses actually sustained. I think the Budget Director was negligent in not asking for reimbursement for the full amount of all accumulated losses to date. The president has been saying, "See how I have saved the taxpayers money." That is not true. I quote from page 10 of the report of the budget:

Unrestored realized losses on commodities already sold are approximately \$7.8 billion.

We have never faced up to the true cost of this agriculture program; \$2,799,400,162.73 has been lost on commodities that were shipped—they are

gone—in 1962. Up to May 1963 the amount was \$2,436 million. Altogether, according to their own report, they have lost \$7,749 million on commodities that are gone. They have been shipped out of the warehouses. The Budget Bureau has asked us to restore only approximately \$2 billion, so there will be an unrecognized loss of about \$5 billion over these years.

Mr. HOLLAND. Over the years since 1938?

Mr. WILLIAMS of Delaware. Mostly since 1961. These are the losses that have actually been sustained, according to their own books. When the losses were sustained is only secondary. My point is that they should be recognized and not covered up.

The Commodity Credit Corporation has only about \$6 million worth of inventories at today's market price with which to pay off a debt of \$13¼ billion. That is where the losses come in.

I object to the administration's saying to the taxpayers, "See how economy minded we are. We are saving money for you this year. We are operating the Department of Agriculture with \$1 billion less this year than we did last year."

Actually, the administration is carrying over about \$5 billion of previous years' losses and not facing up to the facts of life. If I am in error I want to be corrected.

I have gone through the bill. I am not finding fault with the Senator from Florida. But in item after item, there is an increase of \$1 million, \$2 million, 5 percent, or 10 percent. Perhaps they can be justified; I do not argue that point. My point is that additional money cannot be appropriated for every division of a department of government and still have a lower total budget. Let the administration stop kidding the people.

The Senator from Florida is not kidding the people. He has faced up to what the budget requested. My point is that the Budget Bureau did not submit a true list of the losses of the Commodity Credit Corporation. I object to their saying otherwise when they know it is not true.

The Secretary of the Treasury has come before the Committee on Finance and asked that taxes be reduced. In his presentation to the House committee he claimed that the executive branch asked for a smaller amount of appropriations for the Agriculture Department than were provided last year and based that claim on the false premise that the cost of this agriculture program has been reduced by over \$900 million. He has more sense than that. The cost has been increased when all the facts are known.

I want the facts to be stated. We cannot escape the fact that this administration has spent more money than any other administration in the history of our Government, even including expenditures in World War II. I do not propose to let the administration get away with its false claim that it has made a reduction in the cost of Govern-

ment unless the administration can prove it.

The Senator from Florida is giving a true picture. Not for one moment would I want anyone to think that I am quarreling with him. His figures are accurate. My point is that the Budget figures do not recognize the facts as to the total amount of the losses sustained by the Commodity Credit Corporation. If the figures I am quoting as to losses are incorrect I would be delighted to have the Bureau of the Budget correct them. But if the Bureau of the Budget does take exception to my statement I shall then ask the Commodity Credit Corporation to explain their books, which do show the losses as I have outlined.

Mr. HOLLAND. I thank the distinguished Senator from Delaware. His argument concerns the way the budget was submitted. I repeat what has already been so ably said by the distinguished Senator from North Dakota [Mr. Young], the ranking minority member of the subcommittee. The subcommittee functions in a completely non-partisan, bipartisan way. We deal with matters brought before us. We try to deal with them carefully. We believe that by restoring most of the \$2.8 billion claimed as losses from CCC operations in fiscal 1962, we have proceeded more cautiously and factually than the other body has done.

We realize that we have not completely met the picture, because we have only gone within \$100 million of the restoration of the claimed loss. The reason why we have done that—as already stated to the Senator—for example the surplus cotton was sold at a great profit to the country, as the Senator will remember. Of course it took a war to bring that about, but it did occur.

Mr. WILLIAMS of Delaware. I hope there is not going to have to be another war in order to get us out of this difficulty.

Mr. HOLLAND. There have been other sales of certain parts of the surplus which have operated at a profit; and I believe we have proceeded in a bipartisan fashion and in a cautious fashion—very much as the Senator from Delaware would have proceeded.

My suggestion—in response to his feeling that the Budget Bureau has not proceeded correctly, and that the President in some of his statements may not have proceeded correctly—is that there are other places where this can be gone into—for example, in the Joint Committee of Economic Advisers, or in the Committee for the Reduction of Nonessential Expenditures, of which I believe the distinguished Senator is a member.

Mr. WILLIAMS of Delaware. It is too late for that. The loss has already been sustained. The sale has been made. I am not quarreling with what the Senator from Florida has done, but I am taking exception to the administration's false claim of economy.

Mr. HOLLAND. My view is that the point the Senator has made, whether good or bad, has no application to this particular appropriation bill. We stand upon the action of the committee, as representing the best judgment, in a

bipartisan way, of the membership of the committee. I have heard the Senator state—and I appreciate his statement—that he thinks the committee has done a good job on the subject before it.

Mr. WILLIAMS of Delaware. I repeat I do not question what the committee has done in connection with its restoration of the amounts of the Budget Bureau requests. I recognize that the committee has acted—as always—in a bipartisan way. I too am addressing my remarks in a bipartisan way, and I do not wish them to be interpreted as being any more politically motivated than the President's statements on taxes are. I am merely trying to help the President straighten out the record. I recognize, as the Senator says, that with \$6 billion worth of agricultural commodities in inventories, there can be a variation of \$100 million.

But a difference of nearly \$5 billion cannot be excused in any such manner, and the Senator from Florida knows it. By the administration's own reports they have lost this much money. But they have not asked that it be restored by means of an appropriation; neither are they telling the taxpayers about the loss. Instead, they state, "Look how righteous we are. We have saved a billion dollars." But they have not saved a billion dollars; they have just not admitted the true loss. I just want to have this matter set straight.

I come from the old school of simple mathematics. I was never fortunate enough to receive a Harvard education. If I had gone to Harvard perhaps I would understand this type of New Frontier bookkeeping. I do not see how if you have a \$13 to \$14 billion debt outstanding and only \$6 billion in inventory to pay it off with and no cash, anyone can claim they do not have a loss. If a private corporation operated that way I would say it was bankrupt, and if the directors told its stockholders they were making money they would be locked up in the Federal penitentiary.

The Government should set an example of honesty in its reports to the people.

I do not intend to sit back and vote for an appropriation bill that gives a false impression to the taxpayers. I will not let them think we are saving them \$928 million when I know that it is not true. Instead, they are actually increasing the cost over last year in administering the program by an extra billion or a billion and a half. All I want is a true recognition of the costs, and until I get it I will ask for separate consideration of each of the different amendments so that we can call attention to the fact that they are not reducing appropriations. You just cannot increase expenditures in every category in this department and then come back here and say we are saving \$900 million. The Senate knows this and so does the administration. But I say the Budget Director had better get things straight and straighten out the President on it, because I do not believe the President wishes to keep fooling the American people. I am only here trying to help the administration get the record straight so that they can get the truth

out to the people which is that this administration is spending more money in every single department of the Government. Actually expenditures under this administration are averaging about \$18 billion per year over the average expenditures of the 8 years of the Eisenhower administration.

This is \$1½ billion per month or \$50 million per day for every day in the year.

Think of it—this administration is spending \$50 million per day more than was spent by any preceding administration in the history of our country, and these extra expenditures are being financed on borrowed money.

It is past time for the Frontiersmen to face up to the true picture.

If the Senator wants to start considering some of these amendments I would be delighted to do it here tonight and will cooperate in going through them as rapidly as possible. But I will point out that these amendments do call for increases and not for reductions. I just want to get the record straight as to what this Department is costing the taxpayers.

Mr. HOLLAND. The Senator from Delaware has had the committee report before him. Does he find fault with the compilation of the costs expressed on the first page of that report?

Mr. WILLIAMS of Delaware. No. Not as far as it goes.

Mr. HOLLAND. If the Senator does, I wish the Senator would call it to my attention.

Mr. WILLIAMS of Delaware. No, sir; I do not—not at all. I could not repeat that often enough. What I am finding fault with is the Budget Bureau which did not submit the true cost of this program to the Congress. It did not include the losses which it knew at that time had actually been sustained in this department, and they underestimated that loss by about 5 billion over the year. On the basis of this omission they are trying to give the false impression of having reduced expenditures. That is my argument, not with the Senator from Florida or his committee. But the Budget Director has the responsibility to face up to the facts and give us the true picture when he submits a budget message, because the President is making speeches based on this erroneous report, and I want to help him get this record straightened out as to just what it is costing the taxpayers.

Surely the President wants his statements to be accurate, and I am only trying to show him the error of his earlier claim of economy in government.

Mr. SMATHERS. Mr. President, would the Senator yield?

Mr. WILLIAMS of Delaware. I am glad to yield.

Mr. SMATHERS. I appreciate the bipartisanship with which the distinguished Senator from Delaware [Mr. WILLIAMS] has approached some of these matters.

Mr. WILLIAMS of Delaware. This is wholly bipartisan, I assure you.

Mr. SMATHERS. I know he is very sincere about that and desires to help the President all he can. He has demon-

strated that over a good many years, so I would not reduce this colloquy to a political debate. I wish to say to the Senator from Delaware that I thank him very much for his statements here thus far this afternoon. I know he is quite sincere about them, and I believe like everyone else he does want to try to save the Government money where it is possible to save it. I am sure that as we proceed on this bill tomorrow that undoubtedly he will offer amendments and suggestions as to ways and means where we will be able to save.

Mr. President, as to the parliamentary situation, we are ready to consider the committee amendments to the bill. We now have to consider them individually?

The PRESIDING OFFICER. The Senator is correct.

Mr. SMATHERS. It has occurred to me that it is now 10 minutes after 5 o'clock and that if we can move along tomorrow with the able cooperation of my distinguished colleague who has done a magnificent job in explaining this particular appropriation bill, I am certain that tomorrow we will be able to defend the position of the committee as well as anybody can defend that position. It is the right position. If we can move tomorrow with some expedition and we can get an announcement out to the membership of the Senate that there will be all these amendments coming up possibly with some yea-and-nay votes—

Mr. WILLIAMS of Delaware. If the Senator from Florida will yield.

An admission of the true cost of this program is all I am trying to get. The moment we get that understood we can then rapidly proceed to completion of this bill.

I have quoted the pages from the report of the Commodity Credit Corporation. They can get this report, and if they can find where I am in error I would be delighted to have someone correct me.

In the bill before us there are many proposals which carry increases such as for research, and I am going to support some of them. The committee has, in going over this bill, made what they believe are their best recommendations. To a substantial degree I am in agreement with what they did.

What I do wish to have understood or explained is how anyone voting for this bill can claim that it would save the taxpayers \$900 million. If there is any Senator in the Chamber who insists that it would, I wish he would explain to me where this savings is. I would be delighted to have that point explained to me. But if I am not in error, once I receive recognition of the real cost of the Department, so far as I am concerned the Senate can agree to the amendments en bloc, and we can operate as we always have. All I desire is to have a clear understanding and a frank admission of the real cost. We cannot have a differ-

ence of opinion concerning \$900 million. I insist that the Department has not operated for \$928 million less than it cost the year before. I am not quarreling as to whether these losses would be written off in the present bill or written off a year later, but I am insisting that the truth be told to the public as to the true costs.

The President's claim of having reduced the costs of domestic programs as the result of a reduction in the cost of the agriculture programs cannot be supported by the facts.

I raised the same point a few years ago when other administrations tried it. I said that a true picture was not presented when that administration postponed for a year or two writing off their losses.

A true picture is not being put before the people. That is what I am arguing about. Once we can agree that the program is not the money-saving program which it has been pictured to be in the budget report we can adopt the amendments en bloc and proceed rapidly as far as I am concerned. I will support a substantial part of what the committee has done. It has done an excellent job. I find no fault with it. All that I ask for is that in enacting the bill me tell the taxpayers exactly what it will cost. The Budget Director and the administration have the responsibility of putting the true picture before the American people.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. HOLLAND. I call attention to the fact that the committee claims only the following ultimate facts: Our reported appropriation bill is under the estimates which we received from the Bureau of the Budget by \$322 million-plus; our bill is over the appropriations for 1963 in the amount of \$39 million-plus. I believe that my distinguished friend from Delaware has found no fault with those figures. We make no claims other than as shown in our report, and I wish to be very clearly understood on that point.

Mr. WILLIAMS of Delaware. I wish to make it very clear that I am not quarreling with the report of the committee. What I am pointing out is that when the Budget Bureau submitted its estimate or request to the Congress it did not include in that request the proper figure which would restore the actual losses sustained by the Commodity Credit Corporation. Someday the \$7.5 billion must be written off. It is already lost. That is all I am trying to say. I have referred to the records. If there is no contradiction of what I have said, tomorrow the Senate can proceed very rapidly for I am not trying to delay consideration of the bill. But I want it clearly understood that when the bill is passed, we will have appropriated to an agency of the Government which is op-

erating at an ever increasing cost to the American taxpayers.

Mr. SMATHERS. Mr. President, I thank the Senator from Delaware for demonstrating a willingness to cooperate tomorrow in the passage of the bill. As the Senator appreciates, we are not here trying the Bureau of the Budget or the statements of the Director of the Budget. As a separate and distinct branch of the three coordinate branches of the Government, we are merely trying to pass the proposed farm program. The Senator finds some difference with respect to the claim of the Director of the Bureau of the Budget. I believe the Senator is entitled to some explanation. At this moment I am not in a position to give it to him. I wish I were. It may be that the Senator is correct. I do not know. Our only purpose now is to try to have the agricultural appropriation bill passed. We therefore appreciate the cooperation of the Senator from Delaware.

Mr. WILLIAMS of Delaware. I assure the Senator from Florida, in a good bipartisan manner, that I wish to cooperate. There will be no delay on my part, and the Senate can proceed very rapidly if we can agree on the point as to the true cost of this department. If we agree on the overall cost as I have outlined it we can proceed. If I am in error all I ask anybody to do is to show me where in the figures I have used are wrong.

We can proceed very rapidly once we reach an agreement as to the costs. Surely the President does not wish to go before the American taxpayers and voters claiming that he has cut the cost of Government when in reality he has not done so.

Mr. SMATHERS. On that point I completely agree with the Senator from Delaware.

Mr. WILLIAMS of Delaware. We are both trying to help the President.

Mr. SMATHERS. The Senator is correct. We are both trying to help the President. I thank the Senator from Delaware for that remark. It is sometimes easier to present facts to the able Senator from Delaware than to get him to see them in any other light but his own light. Therefore, it is sometimes difficult, in my experience with my good friend from Delaware, to arrive at the same conclusion which some others would arrive at, even with the same set of facts. However, I know that his motives are pure. As he said, he is bipartisan and wants the President to be positioned in the right light. That is what we desire, too. I thank the Senator very much. Tomorrow we shall go forward with the amendments.

RESEARCH IN UTILIZATION OF AGRICULTURAL COMMODITIES

Mr. MUNDT. Mr. President, I have long been given to the belief that Govern-

ment-sponsored research in the production and marketing of food and fiber has contributed mightily to our present surplus production. I think no one would seriously question the role of research in developing the technology which in turn has overfilled our storage bins year after year. Production research has indeed given the American farmer knowledge of new crops, new techniques and processes, which, combined with our political, social and economic institutions, has made him distressingly successful.

At the same time, no one would seriously propose cutting out production research as a means of reducing output. In the past century production research has built into the agricultural economy an impetus for continued progress which we must have if we are to stay in the game.

Two words in a most basic economic equation—production and consumption—are involved in our farm problem. In agriculture in the United States, we have perhaps dwelled too long on "production" and not paid sufficient attention to "consumption"—or "utilization." For a century we have supported production research and we have done a good job. Over the past 30 years, as surplus production has steadily increased, our attention has been turned gradually toward utilization research. I submit that in the latter period we have not sufficiently committed ourselves to the worth of utilization research as an answer—or a partial answer—to our farm problem.

PRODUCTION AND UTILIZATION RESEARCH COMPARED

In the fiscal year just ended, the cost to the Government of agricultural production research was \$60 million, while utilization research and development totaled only \$24 million, or 40 percent of production research outlays. In fiscal 1962 the total utilization research costs were only about one-third those of production research. In the 1964 budget estimates, \$62 million is requested for production research, and \$25 million for utilization research and development—again, roughly 40 percent. To the extent that research expenditures produce results, it seems to me that the present dimensions of the farm problem dictate a serious consideration of increased appropriations to support research in industrial utilization of surplus agricultural products. As Senators well know, this is no new position for me. Last year, along with the senior Senator from Georgia and the senior Senator from North Dakota, I supported an amendment to the agricultural appropriation bill which would have added \$25 million to increase activity in utilization research, including provision for construction of additional research facilities.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD four tables dealing with production and utilization research and development.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE I.—Major research activities by the Agricultural Research Service

(In thousands)

	Fiscal year 1962	Fiscal year 1963
Cost of production research.....	\$55,324	\$60,165
Utilization research and development.....	18,787	24,406
Nutritional and consumer use research.....	2,626	2,737
Contingency fund.....	1,000	1,000
Foreign currency program.....	5,265	5,265
Total.....	83,002	93,573

Source: 88th Cong., 1st sess., House. Hearings on Department of Agriculture Appropriations for 1964 (pt. 4). Washington, Mar. 25, 1963, p. 2896.

TABLE II.—Research in crop production and utilization of agricultural commodities, 1954-63

Fiscal year	Production research ¹	Construction ¹	Utilization research ²	Construction ²
1954.....	\$22,683	-----	\$8,370	-----
1955.....	26,303	\$148	9,177	-----
1956.....	28,884	350	8,623	-----
1957.....	35,740	14,277	10,630	\$785
1958.....	39,000	2,000	13,156	105
1959.....	40,976	493	16,066	-----
1960.....	43,051	3,150	16,188	-----
1961.....	50,345	7,720	18,188	-----
1962.....	54,524	800	18,787	-----
1963.....	57,376	1,780	23,768	-----

¹ Op. cit., p. 289, pt. 4.

² Op. cit., p. 2946, pt. 4.

TABLE III.—Basic agricultural commodities: Gross farm income (1962), production and utilization research (1963)

(In thousands)

	1962 gross farm income	Research ¹ expenditures, fiscal year 1963			Production research, fiscal year 1963	Utilization research, fiscal year 1963
		Federal	Non-Federal ²	Total		
Corn.....	\$3,923,000	\$4,424	\$767	\$5,191	\$2,821	\$2,064
Cotton.....	2,357,000	10,719	972	11,691	6,345	3,914
Wheat.....	2,205,000	5,561	258	5,819	2,256	2,708
Tobacco.....	1,218,000	1,926	344	2,270	1,693	271
Rice.....	323,000	661	61	722	411	143
Peanuts.....	200,000	900	172	1,132	529	173
Total.....	10,228,000	24,251	2,574	26,825	14,055	9,273

¹ Includes USDA agencies and State agricultural experiment stations (Federal-grant funds provided under the Cooperative State Experiment Station Service).

² Mostly State funds.

Source: 88th Cong., 1st sess., House. Department of Agriculture Appropriations, 1964 (pt. 4), pp. 2904 and 2917.

TABLE IV.—Research expenditures as percentage of gross farm income from basic agricultural commodities

	Total research expenditures, fiscal year 1963 (per cent of gross farm income)	Production research expenditures, fiscal year 1963 (per cent of gross farm income)	Utilization research expenditures, fiscal year 1963 (per cent of gross farm income)
Corn.....	0.13	0.07	0.05
Cotton.....	.50	.27	.17
Wheat.....	.26	.10	.12
Tobacco.....	.19	.14	.22
Rice.....	.22	.13	.04
Peanuts.....	.57	.26	.09
Total.....	.26	.14	.09

Source: Computed from table III, above.

SURVEY OF UTILIZATION RESEARCH

Mr. MUNDT. Mr. President, utilization research is a relatively recent development, although it may be said to have had its beginnings with the found-

ing of the Department of Agriculture a century ago. However, its current emphasis on the search for industrial uses for farm commodities goes back only a quarter of a century.

In 1935 the Bankhead-Jones Farm Act set up a laboratory at Urbana, Ill. to do research in the industrial utilization of soybeans. Then, the Agricultural Adjustment Act of 1938 provided for the establishment of four regional utilization research laboratories to find new outlets and wider markets for farm products. They were charged with the responsibility for carrying on research in the use of farm commodities—especially new "scientific, chemical, and technical uses."

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table on the construction of regional laboratories.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE V.—Construction of regional laboratories

Laboratory	Buildings		Initial equipment purchases	Total cost ¹
	Original cost ¹	Cost of additions and improvements		
Wyndmoor, Pa.....	\$1,488,000	\$516,000	\$995,000	\$2,999,000
New Orleans, La.....	1,498,000	853,000	1,600,000	3,951,000
Albany, Calif.....	1,363,000	586,000	998,000	2,947,000
Peoria, Ill.....	1,607,000	684,000	1,096,000	3,387,000
Total.....	5,956,000	2,639,000	4,689,000	13,284,000

¹ Since 1939 the building cost index has increased an estimated 438 percent. On this basis, the present replacement cost of the original buildings would be in excess of \$26 million. The total investment, including additions, improvements, and initial equipment purchases, would be in excess of \$58 million, not including the value of the land.

Source: 88th Cong., 1st sess., House. Department of Agriculture Appropriations 1964. (pt. 4), p. 2945.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

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HIGHLIGHTS: Senate debated agricultural appropriation bill. Sen. Hart urged review of trade policy with Communist countries. Sen. McGovern favored sale of U.S. agricultural commodities to Soviet bloc. Sen. Mundt urged President to call conference of free nations to formulate policy on foreign trade with Soviet bloc. Sen. Humphrey urged USDA to make edible oils available for charitable donations abroad. Both Houses agreed to conference report on Labor-HEW appropriation bill. Rep. Laird opposed grain trade with Russia at this time. Rep. Saylor criticized record of REA Deputy Administrator Dell.

SENATE

1. AGRICULTURAL APPROPRIATION BILL, 1964. Continued debate on this bill, H. R. 6754 (pp. 17289-90, 17296, 17298-323, 17325-9, 17331-4, 17337-40). Agreed to the committee amendments en bloc (pp. 17302-4). Agreed to an amendment by Sen. Aiken to increase from \$1,200,000 to \$2,200,000 the appropriation for resource conservation and development for cooperation with States and local governments in developing plans for land conservation and land use (p. 17333). Agreed to an amendment by Sen. Ribicoff to increase from \$66,821,500 to \$67,071,500 the appropriation for plant and animal disease and pest control which he stated would make available \$250,000 for the protection of people, fish, wildlife, and crops in connection with the use of pesticides (pp. 17333-4). By a vote of 16 to 57, rejected a motion by Sen. Lausche to suspend the rules in order to amend the REA Act to increase the interest rate on REA loans

from 2 to 3 percent (17314-23). By a vote of 46 to 22, agreed to a motion by Sen. Humphrey to table an amendment by Sen. Javits which would have provided that no part of the funds for Farmers Home Administration loans could be used in any State in which the participants in, or beneficiaries of, such loans are segregated (pp. 17325-32). Agreed to a unanimous-consent agreement by Sen. Humphrey providing that on Mon. further debate on the bill will be limited to 3 hours on the Mundt amendment to extend expiring conservation reserve contracts, and to 30 minutes on the question of final passage of the bill (pp. 17332-3). Sen. Clark defended a REA loan to a coop in Pa. for the construction of a ski lift and inserted a letter from REA Administrator Clapp explaining the statutory basis for the loan (pp. 17337-8).

2. FOREIGN TRADE Sen. Hart stated "That something is wrong with our trade policy toward Communist countries is indicated dramatically by Canada's recent sale of wheat to the Soviet Union," and expressed hope that "a broad reexamination of our policy will be carried out, and at the highest level." pp. 17257-8

Sen. McGovern stated that "In effect, the American farmers and the American taxpayers are being made the goats of an impractical restriction on exports," expressed hope that the U. S. "will accept any reasonable offer from the Soviet bloc to purchase our agricultural commodities," and inserted a statement of the Board of Directors, Great Plains Wheat, Inc., urging a reexamination of U.S. export policies on wheat. pp. 17272-3

Sen. Mundt stated that the U. S., alone, cannot conduct an effective blockade of the Communist world and urged the President to call an early conference of all the countries of the free world which are engaged in major exportation of either agricultural or industrial materials to "formulate a workable, consistent pattern of trade with Communist-bloc countries." Sen. Proxmire commended Sen. Mundt's statement and requested a statement from the State Department of the effects of the Russian-Canadian wheat deal on the economic position of the Soviet Union. pp. 17329-31

3. FATS AND OILS; FOREIGN AID. Sen. Humphrey criticized this Department for not using its authority to purchase soybean oil and other edible oils for donation to nonprofit voluntary agencies for use abroad, and stated that a memorandum from the Director of Food Distribution in the Agricultural Marketing Service "in effect, denies the voluntary agencies oils and fats. They must take butter, butter oil, or ghee." pp. 17340-2

4. ELECTRIFICATION. Sen. Gruening commended the statement of the President recommending early authorization for construction of the Rampart Dam, Alaska, and inserted the agenda for the meeting of officers of the American Public Power Assoc. and the National Rural Electric Cooperative Assoc. with the President and Secretaries Freeman and Udall to review progress in the field of natural resource development. pp. 17276-82

Sen. Miller inserted and criticized an article stating that during the President's trip to the Western States he has attacked the electric power policies of the Eisenhower administration and praised Secretary Freeman for having dispelled "the cloud of political control which had hung over the loan authority of the Rural Electrification Administration." pp. 17258-9

5. WATER POLLUTION. Sen. McNamara commended the documentary film of the Senate Public Works Committee on water pollution, "Troubled Waters," and expressed hope the film will have wide usage throughout the country. p. 17285

talk—it neglected implementation. After we became involved in hostilities in Korea, we went through experiences almost identical with those of World War II—only then did realistic stockpiling begin.

When I became President I was determined that we benefit from these mistakes of prior years. It was from this conviction that my long-term stockpile policy evolved. Happily, Congress supported this effort and, after considering the programs we presented, it appropriated the yearly funds needed to make the purchases. In 1958 constant restudy changed our stockpile objectives to those necessary for a war of 3 years' rather than 5 years' duration.

As a result today of this entire enterprise we have, for the first time in our history, stockpiles of strategic and critical materials.

The Nation's investment in these stockpiles is comparable to the investment made in any insurance policy. If an emergency does not arise, there are always those who can consider the investment a waste. If however, the investment had not been made and the emergency did arise, these same persons would bemoan, and properly so, the lack of foresight on the part of those charged with the security of the United States. I firmly rejected the policy of too-little, too-late stockpiling. As a result when my administration left office in 1961, the Nation was strongly situated in this regard to deal with the forces of international communism.

Like all other defense activities, the policies underlining the acquisition of strategic and critical materials should be reviewed from time to time in order to keep them attuned to changed conditions. I hope, however, that Members of Congress will keep in mind that these materials are assets—not liabilities—also, that these Members will not permit anyone to dispose of any quantities of any of them until they have assured themselves, after listening to competent testimony, that this disposal can proceed without injury to the national security. The Congress should never relinquish its right to pass on executive branch proposals to sell materials in the stockpiles. Too much is at stake.

A final observation based on experience in public life is that while in such matters hindsight is often desirable and even enjoyable, foresight is always a necessity.

Sincerely,

DWIGHT D. EISENHOWER.

Mr. CASE. Mr. President, I should also note that at the time when I issued the release yesterday, I delivered a copy to the Senator from Missouri [Mr. STIMMINGTON], the chairman of our subcommittee.

In addition, Mr. President, I ask unanimous consent that there be printed in the RECORD a statement which Dr. Arthur S. Flemming, who was Director of the Office of Defense Mobilization in the years 1953 to 1957, today released to the press.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY ARTHUR S. FLEMMING, DIRECTOR, OFFICE OF DEFENSE MOBILIZATION, 1953-57

Senator CLIFFORD CASE, of New Jersey, several weeks ago proposed that persons mentioned in a draft report of the Stockpile Subcommittee of the Senate Armed Forces Committee should be accorded the privilege of commenting on the report before final action by the Subcommittee. I note that this suggestion has been rejected by the chairman of the subcommittee.

Under the circumstances, therefore, I have decided to make public my own views on certain issues which were raised by the subcommittee during the course of its hearings.

1. The issue of secrecy: Throughout the hearings, the chairman and the members of his staff stressed the fact that stockpile objectives and the status of the stockpile were classified. They implied that this made it impossible for the Congress to know what was going on.

Such a conclusion ignores the fact that the money for stockpile purchases was appropriated annually by the Congress. The Appropriations Committees of both Houses had access to any information the members desired.

It also overlooks the major role played by the Joint Committee on Defense Production under the chairmanship of such distinguished Members of Congress as the late Congressman Paul Brown, former Senator Homer E. Capehart, and Senator A. Willis Robertson, and assisted by an exceptionally competent staff. The joint committee held many sessions, some in executive session, on all of the issues discussed by the Stockpile Subcommittee in its hearings. The members of the staff of the Joint Committee had access to any staff members in the executive branch they desired to interview and to any information including all classified information, available in the executive branch.

The State and House Armed Services Committees likewise had access to all information, both classified and unclassified, bearing on the stockpile during the years in question.

2. The role of the Joint Congressional Committee on Defense Production: As the hearings of the Stockpile Subcommittee progressed, it was difficult for me to understand why the conscientious and effective work of the Joint Committee on Defense Production in this area was virtually ignored. This Joint Committee made annual reports in which all of the major issues in which the Stockpile Committee showed an interest were discussed. The members of the Joint Committee did not always agree with the actions taken by the executive branch. Their views were always respected, however, and influenced subsequent action. This respect grew out of the recognition by the executive branch that the Joint Committee was functioning as a truly effective "watch dog" committee.

3. The question of surpluses: Great stress was placed on the alleged surpluses in the Nation's stockpiles. When the present administration took office, it began a review of stockpile objectives, a review which is still in process. It has made public its findings on certain materials based on the needs of conventional warfare. Even in these instances, it has stated that it has not yet determined what impact nuclear warfare and the rehabilitation of the economy following nuclear warfare would have on these objectives. How is it possible for anyone to identify accurately the existence or nonexistence of surpluses until the present administration has completed the job of fixing new objectives?

4. The preservation of the mobilization base: Questions were raised at the hearings relative to decisions which were designed to protect and strengthen the Nation's mobilization base. These actions were taken in accordance with the declaration of policy included by the Congress in the Stockpiling Act; namely, "to encourage the conservation and development of sources" of strategic and critical materials and in accordance with the objective of the Defense Production Act of 1950; namely, to bring about "the expansion of production capacity and supply beyond the levels needed to meet the civilian demand." Obviously, such expansion where needed to assure the national security, cannot help but also benefit some segment of business and industry. But our domestic business and industry is our essential mobilization base.

The lead and zinc industry, for example, was and is an important part of this base. I believe that President Eisenhower was on

sound ground from a national security point of view when he directed me to put into effect policies which would help preserve the then existing mobilization base in lead and zinc. If the Government, at any time, fails to take the actions necessary to preserve and strengthen our mobilization base, it would certainly be guilty of weakening our national security position. This is why, I am sure, that, according to a New York Times story of November 20, 1962, the present Atomic Energy Commission decided to purchase \$200 million of uranium ore in the latter part of this decade even though, according to the New York Times story, it is already committed to buy more uranium than it probably could use in this decade either for atomic weapons or civilian atomic power. The Atomic Energy Commission desires, and properly so, to maintain the uranium mining industry as a part of our mobilization base.

5. Deferral of stockpile purchases: The Stockpiling Act states that "purchases were to be made so far as is practicable from supplies of materials in excess of the current industrial demand." In conformity with this mandate, I did from time to time defer deliveries for example, of copper and nickel, to the stockpile, I did it at times when, as a reading of the annual reports of the Joint Congressional Committee on Defense Production will show, the industrial demand—including defense production needs—was far in excess of available supplies. At the hearings I was asked why I did not accept deliveries and then resell the material at the market price. I decided against making the Government a speculator in the metal markets of the Nation.

Prior to the outbreak of hostilities in Korea, this Nation had done virtually nothing to build stockpiles of strategic and critical materials. As a result, our ability to achieve military objectives in both World War II and the Korean War was impaired. When President Eisenhower made me responsible for this program, he stressed his desire to make sure that our Nation be prepared at last in this area. From the outset, he was determined, so far as he was able, not to allow our Nation to be caught short again in this crucial area.

I am glad that when the Eisenhower administration left office our Nation finally did have substantial stockpiles of strategic and critical materials. In addition, it had the strongest mobilization base in our history.

Our strategic and critical materials resources should not be dissipated until determinations have been made, by competent authorities, as to what our present objectives should be. This has not yet been done.

Mr. HUMPHREY. Mr. President, I gather there is no further morning business.

The PRESIDING OFFICER (Mr. KENNEDY in the chair). Is there further morning business? If not, morning business is closed.

DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATIONS, 1964

Mr. HUMPHREY. Mr. President, what is the unfinished business?

The PRESIDING OFFICER. The unfinished business is the agricultural appropriation bill, but, under the rules, it will not come before the Senate until 2 o'clock.

Mr. HUMPHREY. I move that the agricultural appropriation bill, H.R. 6754, be laid before the Senate as the pending business.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 6754) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Minnesota.

The motion was agreed to; and the Senate resumed consideration of the bill.

MINE ENEMY—THE FOLK SINGER

Mr. KEATING. Mr. President, it will come as a shock to many Senators, but according to a resolution of a certain Los Angeles civic organization the Communists have developed a new secret weapon to ensnare and capture youthful minds in America—folk music.

No one who serves in Congress could reasonably entertain any illusions, no matter what might be the thrust of Soviet policy at any given time, about any possible letup in the intensity and earnestness of the Soviet pursuit toward its ultimate goal of world domination. Nor, based on our experiences with and knowledge of Soviet tactics, can one ever safely underestimate the capacity of communism for devising and employing whatever techniques are necessary to accomplish its long-range ends, from outright military take-over and occupation and the violent coup d'etat, to espionage, sabotage, subversion, propaganda, economic warfare, and perversion of the political and social processes of free societies to its own evil purposes. Nevertheless, I am stunned by the revelation that folk music is part of the Communist arsenal of weapons.

The resolution adopted by this organization, called the Fire and Police Research Association of Los Angeles, Inc., describes folk music as—and I quote from the resolution—"an unidentified tool of Communist psychological or cybernetic warfare."

For the benefit of any Senators who may not be fully familiar with the term "Cybernetics," I looked it up in the dictionary, and it means "a comparative study of the control system formed by the nervous system and brain and mechano-electrical communication systems, such as computing machines."

I ask unanimous consent that the text of the resolution be printed in the RECORD following my remarks.

The PRESIDING OFFICER (Mr. KENNEDY in the chair). Without objection, it is so ordered.

(See exhibit 1.)

Mr. KEATING. Mr. President, this amazing document maintains that "the dialectics of the Communist movement have successfully used, and are now using all modes and media of communication with young people, including the subtleties and the verbal subterfuges of applied dialectics in both poems and songs" and that "it is becoming more and more evident that certain of the 'Hootenannies' * * * in this country and in Europe have been used to brainwash and subvert"—and now, listen to this—"in a seemingly innocuous but actually covert and deceptive manner, vast segments of young people's groups." It closes with a fervent plea for a congressional investigation of this "uniden-

tified tool of Communist psychological and cybernetic warfare" which is being used "to ensnare and capture youthful minds in the United States as it has so successfully and effectively captivated them abroad."

I had always had the impression that if anything was thoroughly American in spirit, it was American folk music. To be sure, I was perfectly aware of certain un-American influences in it, like Elizabethan balladry, English Protestant hymns and spirituals, and, with respect to jazz and in some cases the Negro spiritual, native African rhythms. But in my naivete I had never considered these un-American influences to be of a sinister nature and simply passed them off as part and parcel of the melting-pot tradition which has contributed so much in the way of variety and interest to the American cultural heritage.

In the light of this resolution, however, I have given this subject renewed attention. Have we ever considered, for example, that the music of our national anthem, the Star-Spangled Banner, is based upon an English folk melody—a drinking song, no less—"To Anacreon in Heaven"?

Of course, I realize that folk music tradition is grounded in movements of political, economic, and social unrest and I did not expect to find in music which originated among sharecroppers, miners, union organizers, factory workers, cowboys, hill folk, wanderers, and oppressed Negroes—a pattern of tribute and praise to such symbols of orthodoxy as the gold standard, the oil depletion allowance, and the standing rules of the U.S. Senate.

I knew that in reviewing the evidence I would be in for a share of lyrical protest against war, depression, economic exploitation, the plight of the Negro, the farmer, the worker, the railroad convict, and, generally, the poor and down-trodden. I knew I would also come across music, as I actually did, dedicated to Robin Hood folk heroes like Jesse James, Pretty Boy Floyd, and Billy the Kid. And so I made allowances for the basic cultural factors operative in the folk music field. No one could possibly imagine the members of the board of directors of General Motors sitting around a conference table composing ditties in honor of defense contracts, while it is not surprising that coal miners should have come up with a protest song, "Sixteen Tons," crying "Saint Peter, don't call me, 'cause I can't go; I owe my soul to the company store."

I might interject at this point that the reason I recite rather than sing these words is that I know I would be breaking the Senate's rules if I did anything to provoke a Senate "hootenanny."

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. KEATING. I yield.

Mr. HUMPHREY. I have examined the rules of the Senate, knowing of the Senator's speech. I do not recall seeing anything in the rules which would prohibit the Senator from singing, except his own good judgment.

Mr. AIKEN. Are there any other reasons?

Mr. KEATING. My voice is not of the best. Some of the citations bearing out

this thesis are better sung than said. There is in the gallery an old friend and associate of my office who could sing them. But I think it best that I do not sing them.

Mr. HUMPHREY. Particularly without musical accompaniment.

Mr. KEATING. I would not be able to do that, anyway. If I used a guitar, I would have to use a left-handed guitar.

Mr. HUMPHREY. Let us not do anything "left" here.

Mr. KEATING. No; let us do everything right.

But when I began to look into the folk music business, I began to find that where there is smoke, there is fire—which perhaps explains how the Fire and Police Research Association gets into the act, too.

The first significant discovery I made was that from this Nation's very beginnings folk music had indeed been used, "in a seemingly innocuous but actually covert and deceptive manner, to incite violations of the laws of the United States." Why, even "Yankee Doodle" has fallen victim to misuse in this fashion, as it did during President Jefferson's embargo of 1808 imposed to prevent our embroilment in the Napoleonic wars. Just listen to this plea to run the embargo:

Attention pay ye bonny lads
And listen to my Fargo
About a nation deuced thing
Which people call Embargo

Yankee doodle, keep it up
Yankee doodle, dandy
We'll soak our hide in home-made rum
If we can't get French brandy

I've got a vessel at the wharf
Well loaded with a cargo
And want a few more hands to help
And clear the cursed Embargo

Yankee doodle, keep it up
Yankee doodle, dandy
We'll soak our hide in home-made rum
If we can't get French brandy

Now it seems perfectly obvious to me that if people went around singing this today, we would be in a pretty fix with our shipping ban against Castro. Before we knew it, we would have rum-running out of Cuba in American bottoms.

While we are on the subject of the whisky trade, this is another area for grave concern. Apparently, some of our folk music takes a pretty cavalier attitude toward the enforcement of our Internal Revenue laws and could easily brainwash our young people into total disrespect for all law and order. The song, "Darlin' Cory," is a prime example of this:

Wake up, wake up, darlin' Cory
What makes you sleep so sound?
The revenue officers a-comin'
Gonna tear your still house down

Or, for another example, the now very popular, "Copper Kettle," which contains the lines:

My daddy he made whisky
My granddaddy did, too
We ain't paid no whisky tax
Since 1792.

If enough people went around singing this at hootenannies, Americans might soon get the idea that they don't

think it is a good bill. The conferees of the House and the Senate unanimously approved the bill that the chairman, the Senator from Georgia [Mr. RUSSELL], has now presented to the Senate. I hope the Senate will adopt it as quickly as possible, because the bill applies to October 1 of this year, and we should permit the President to have the bill in his hands as soon as possible. It must go to the House after it is considered in the Senate. I hope the conference report will be adopted.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. STENNIS. I commend the Senators from Georgia and Massachusetts and other Senators who handled the bill. They have done a good job.

Directing my question to the question of the group that are permitted to recompute, under the bill, according to the standards of pay in the 1958 act and this year's, I heartily agree with that provision in the bill, and am glad it is written into a comprehensive bill.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. SALTONSTALL. The Senator from Mississippi deserves a great deal of credit for his perfectly clear position on this very difficult matter over the past few years. He agreed, as I did, as a member of the subcommittee, that we should take care of this question as soon as we could, and we have done it now. I commend him for his efforts.

Mr. STENNIS. I thank the Senator. As a result of the law enacted in 1958, there developed a situation for a small group that was somewhat unfair to them, but we still took the position that it should be corrected in a comprehensive bill, and that a permanent system should be adopted at the same time, for which this bill provides.

I highly commend the Senator. I am glad to see this matter settled on a sound basis. I heartily support and approve the bill. I wanted to make this statement because, unfortunately, I was not able to be present when the bill was passed.

Mr. RUSSELL. I thank the Senator from Mississippi. The distinguished Senator has a long record of activity and beneficial interest in the matter of pay for military personnel, and I appreciate his contribution today.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield to the Senator from Alabama.

Mr. SPARKMAN. I commend the able Senator from Georgia and other members of the Armed Services Committee for arriving at what I think is a fair solution of the problem. I used to know a great deal more about this subject than I do now. When I was in the House of Representatives, I was on the Military Affairs Committee and was chairman of the Subcommittee on Pay and Allowances. I handled the pay bill in 1942, which was the first pay bill before the Congress in a long time. The question of retirement pay, as well as other

related questions, has always been a perplexing problem. I think a very fine solution has been arrived at in the conference. I am very glad to see it.

I was unable to be present on the day the bill itself was voted on. I favored the bill. I am very glad to see the conferees come to this solution.

Mr. RUSSELL. I thank the distinguished Senator from Alabama.

Mr. President, I am highly gratified that this bill is now approaching a successful legislative journey to the White House for signature. When the President signs the bill, I hope the bill will not go completely into oblivion in the press, as have former efforts of the committee.

When Congress met in January, the press published the President's recommendations to Congress. Included among them was a bill to authorize procurement for the military services. Congress enacted the bill. The President signed it. Appropriations have been made thereunder under the authorization law. But I have never seen the first mention of that bill after it was taken off the list of the President's legislative requests and was enacted. Congress has not received any notice or recognition for the enactment of the bill.

The bill to extend the selective service law was in the same category. It was for a long time on the list of requests to Congress for legislation. It was passed. The President signed it. But when the action of this Congress is belabored, there is never any reference to the fact that it was passed and has become law.

Up to this day the military pay bill has been dutifully set forth among the recommendations of the President which have not been considered by the Congress, stating that Congress had been derelict, or at least slothful, in not enacting the bill. I hope when the bill is finally signed, it will not go into complete oblivion as did bills which for a long time were a part of the President's program but did not receive any mention when they were enacted and signed by the President. I hope this action will receive recognition as at least a minute contribution of the Congress to the enactment of the President's legislative program.

Mr. President, may we have action on the conference report?

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. HOLLAND. Mr. President, before the vote is taken I wish to say, representing in part the State that probably has as large a proportion of retirees, both commissioned personnel and enlisted personnel of the armed services, as any other State, I believe that the interests of the persons who have served in the armed services are in most excellent hands, indeed, in the personnel of the Armed Services Committee, particularly with respect to the chairman of that committee and the ranking minority member, one a veteran of the Navy, and the other a veteran of the Army, one a former Governor of Geor-

gia, and the other a former Governor of Massachusetts, both of them men who have spent many years in protecting the interests of those who serve our country in uniform.

Speaking for those in my State who are so interested in this legislation, which I have strongly supported, we are grateful to these two fine Americans and to all members of the committee who have contributed to this fine result.

Mr. RUSSELL. I wish to express my appreciation, and that of the distinguished Senator from Massachusetts, to the Senator from Florida. I wish that his compliment to me might have been more deserved. However, I will say that I doubt that any apprentice seaman in the U.S. Navy has ever been paid as fine a compliment by a Senator as that just paid to me by the Senator from Florida.

The PRESIDING OFFICER (Mr. KENNEDY in the chair). The question is on agreeing to the conference report. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Nevada [Mr. BIBLE], the Senator from Nevada [Mr. CANNON], the Senator from Connecticut [Mr. DODD], the Senator from Washington [Mr. JACKSON], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Montana [Mr. MANSFIELD], the Senator from Wyoming [Mr. MCGEE], the Senator from Michigan [Mr. McNAMARA], the Senator from Montana [Mr. METCALF], the Senator from Utah [Mr. MOSS], the Senator from Rhode Island [Mr. PASTORE], and the Senator from Tennessee [Mr. WALTERS] are absent on official business.

I further announce that the Senator from California [Mr. ENGLE] is absent due to illness.

I further announce that, if present and voting, the Senator from Nevada [Mr. BIBLE], the Senator from Nevada [Mr. CANNON], the Senator from Connecticut [Mr. DODD], the Senator from California [Mr. ENGLE], the Senator from Washington [Mr. JACKSON], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Montana [Mr. MANSFIELD], the Senator from Wyoming [Mr. MCGEE], the Senator from Michigan [Mr. McNAMARA], the Senator from Montana [Mr. METCALF], the Senator from Utah [Mr. MOSS], the Senator from Rhode Island [Mr. PASTORE], and the Senator from Tennessee [Mr. WALTERS] would each vote "yea."

Mr. DIRKSEN. I announce that the Senator from Colorado [Mr. ALLOTT], the Senator from Hawaii [Mr. FONG], and the Senator from Nebraska [Mr. HRUSKA] are absent on official business.

The Senator from Kansas [Mr. CARLSON] and the Senator from California [Mr. KUCHEL] are necessarily absent.

The Senator from Kentucky [Mr. COOPER] and the Senator from Utah [Mr. BENNETT] are detained on official business.

If present and voting, the Senator from Colorado [Mr. ALLOTT], the Senator

from Utah [Mr. BENNETT], the Senator from Kansas [Mr. CARLSON], the Senator from Kentucky [Mr. COOPER], the Senator from Hawaii [Mr. FONG], the Senator from Nebraska [Mr. HRUSKA], and the Senator from California [Mr. KUCHEL] would each vote "yea."

The result was announced—yeas 79, nays 0, as follows:

[No. 174 Leg.]

YEAS—79

Aiken	Hartke	Neuberger
Anderson	Hayden	Pearson
Bartlett	Hickenlooper	Pell
Bayh	Hill	Prouty
Beall	Holland	Proxmire
Boggs	Humphrey	Randolph
Brewster	Inouye	Ribicoff
Burdick	Javits	Robertson
Byrd, Va.	Johnston	Russell
Byrd, W. Va.	Jordan, N.C.	Saltonstall
Case	Jordan, Idaho	Scott
Church	Keating	Simpson
Clark	Kennedy	Smathers
Cotton	Lausche	Smith
Curtis	Long, Mo.	Sparkman
Dirksen	McCarthy	Stennis
Dominick	McClellan	Symington
Douglas	McGovern	Talmadge
Eastland	McIntyre	Thurmond
Edmondson	Mechem	Tower
Ellender	Miller	Williams, N.J.
Ervin	Monroney	Williams, Del.
Fulbright	Morse	Yarborough
Goldwater	Morton	Young, N. Dak.
Gore	Mundt	Young, Ohio
Gruening	Muskie	
Hart	Nelson	

NAYS—0

NOT VOTING—21

Allott	Engle	Mansfield
Bennett	Fong	McGee
Bible	Hruska	McNamara
Cannon	Jackson	Metcalf
Carlson	Kuchel	Moss
Cooper	Long, La.	Pastore
Dodd	Magnuson	Walters

So the report was agreed to.

DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATIONS, 1964

The PRESIDING OFFICER. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H.R. 6754) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, and for other purposes.

UTILIZATION RESEARCH AND DEVELOPMENT

Mr. RUSSELL. Mr. President, last year, in Senate Resolution 415, the Senate asked the Department of Agriculture—

To submit to the Director of the Budget and to the Congress * * * the most effective program available for research to discover new uses for agricultural commodities; and * * * to limit this program to items costing not in excess of \$35 million per annum above current allowances for 1963 for utilization research to discover new uses for agricultural commodities.

The Department submitted its report under the title, "Strengthening Research on the Utilization of Agricultural Commodities", and included within the Department's report was a plan for strengthening utilization research and development, prepared by the Agricultural Research Service. The committee believes this plan should be implemented, and it has included in the bill a provi-

sion to authorize use of Commodity Credit Corporation funds to institute the expanded program of utilization research and development embodied in the plan. Utilization research would be increased at once across a broad front. Since there is very limited room for expansion in the Department's present facilities, approximately half of the new funds in the first 2 years would be used by the Agricultural Research Service to collaborate with universities and other public and private institutions, through contracts, grants, and other cooperative arrangements. This would both intensify the research effort and broaden the base of participation in this vitally important field of agricultural research.

The first year's increase would be devoted to nearly 200 different projects. Special emphasis would be placed on cereals, cotton, and animal products. Substantial increases would be allotted to work on wool, oilseeds, fruits and vegetables, tobacco, sugar, naval stores, and new replacement crops. In subsequent years, additional opportunities for developing expanded markets for these and other commodities would be exploited.

Let me state a few examples of what an expanded utilization research program will lead to. These gains will help us find markets for our surpluses here at home, and new U.S. agricultural markets abroad.

The first great opportunity lies in wider industrial uses for cereal grains. Our utilization research scientists see real possibilities, for example, in diverting 170 million bushels of cereal grains from feed and food uses to new industrial uses.

They are already finding out that new materials derived from grains can be used by our great paper industry to add both wet and dry strength, where needed in paper products, at competitive prices. They are well along in developing a new type of corn that yields a now-rare starch which is valuable for use in a great variety of films, fibers, adhesives, plastics, coatings, and other products.

Market studies show that consumers want greater resilience and strength in cotton products; they want cotton garments that truly require no ironing at all; they want cottons with stretch for some uses, and cottons that better resist soiling and staining. All these attributes, our scientists believe, can be built into cotton, through chemical modification of the fiber or the fabric; but a great deal more research will be required, in order to make this possible.

However, if just these improvements can be made in cotton goods, they will add at least another million bales a year to the demand for cotton.

Similar prospects are in sight for oilseeds and for a variety of animal products.

The development of a stable, full-flavored, dry whole milk could so decrease milk costs to consumers that it might well increase our use of milk by 10 percent—thus providing new markets worth \$1 billion.

New frozen, dehydrated, or processed meat and poultry products would lower the retail price and would boost the consumption of meat and poultry. This

could increase the demand for feed grains by an amount equal to 240 million bushels of corn a year—more than the annual addition to our feed-grain stocks.

Today, our farm abundance is based squarely on the results of 100 years of farm production research. This research has given us the great variety and the high quality of our agricultural products. Because of research, less than one-tenth of our total labor force, working on the land, can feed all our people. Largely because of farm-production research, the average family in this country enjoys a varied and healthful diet at a cost of only about one-fifth of the family's take-home pay.

But research to find new uses and wider markets for our agricultural abundance—or what we call utilization research—has lagged far behind the production research that has made our abundance possible.

In the first place, utilization research did not begin in earnest until about 1940—or some 80 years after the need for farm production research was recognized, through the establishment of our great Department of Agriculture. And over the last 20 years, utilization research, to find new uses and wider markets for farm products, has received only a fraction of the support which we have continued to give to production research.

I do not mean to suggest that we have been doing too much production research. But I do submit that it is high time we were doing more utilization research. The reasons for this are twofold:

First, in spite of the limited effort devoted so far to utilization research, it has clearly demonstrated its value. The benefits of this research to the Nation have already far exceeded its cost.

Second, our scientists engaged in this effort clearly see opportunities that additional utilization research can exploit for the benefit of the national economy and all our people.

The current benefits of this research, as measured by an Agricultural Research Service estimate, amount to a return of \$25 for each dollar spent on research. This return has occurred in spite of rising costs; but benefits tend to multiply as the storehouse of knowledge accumulates.

Mr. HOLLAND obtained the floor.

Mr. HARTKE. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I ask unanimous consent that I may yield to the Senator from Indiana, provided that in doing so, I do not lose my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SPEEDUP ON TAX CUT NEEDED

Mr. HARTKE. Mr. President, the other body has just completed action on the measure which will reduce taxes on individual incomes and corporations. I congratulate those in the House who have led this fight for a measure which will go a long way toward eliminating the ills which are keeping the brakes on our economy.

Mr. President, it is now the turn of the Senate to attend to this urgent matter. I say that tax relief and tax adjustment are urgent, because the future of our economy may well depend upon them, and also because such a change to release us from the shackles of a wartime tax structure is long overdue.

We are now in the longest period since World War II without a recession. The answer to the question of whether this period will continue indefinitely, or whether we shall once more find ourselves engulfed in a recession, depends upon what we do to unshackle our economy and allow it to expand.

Today, America is prosperous—far more prosperous than during the last administration, and, in fact, more prosperous than during any other peacetime period in our history. Yet, we suffer from unemployment that is too high.

The reasons for this are that we have a rapidly growing labor force, for which new jobs constantly have to be found, and we have growing automation which is eliminating jobs. Obviously, something has to be done to give momentum to the economy for the kind of expansion which will create a sufficient number of jobs to soak up the unemployment and employ the new people coming into the job market.

Last year we gave relief to businesses seeking to modernize and to expand. The minimum assistance given has proven a great factor in today's bright picture of high wages, high employment, high dividends, and high profits. But that was not a complete job; no one ever claimed it would be.

A general tax cut is needed. For several years, I have been an advocate of this, as my statements in the Senate and in the Finance Committee attest.

I believe the hills and valleys of "boom and bust" must be ironed out and flattened. We must create the thrust our economy needs in order to be able to expand itself, in order to give us anti-recession insurance. A general tax cut, with the most emphasis on low incomes, will do that.

I believe there is nothing to be gained by delay. Indeed, any good which a tax cut would bring diminishes as we delay.

Therefore, it is my intention to move, in the Finance Committee, to set an early date for the beginning of hearings on this measure. I shall further move, Mr. President, that a closing date of not more than 30 days after the beginning of the hearings be set.

In order that our committee may be able to meet this stringent timetable, I shall urge that the records of the hearings conducted by the House Ways and Means Committee, and other related documents, be submitted en toto. In this way, I believe it will be possible for the Senate to act finally on the tax measure this year.

In addition, I intend to request that testimony of the Secretary of the Treasury and others in the Government be submitted in advance to all members of the committee. In this way, we shall be able to go over these statements well in advance, and thus waste no time during the precious days of hearings.

I believe we should make it possible for the 4.3 million jobless citizens, who today cannot pay their back taxes, and who owe no present taxes because they are not working, to have this chance to get jobs. It is my judgment that 3 million of them could be put to work if this tax measure were enacted.

This, Mr. President, will retain in the Treasury money which would be lost by the cutting of rates. Experience has shown that a rate cut is made up in a matter of months by increased revenues from expansion of the economy and from the jobs so created.

Mr. GORE. Mr. President, will the Senator from Florida yield, so that I may reply to the statement just made by the Senator from Indiana?

Mr. HOLLAND. Mr. President, I ask unanimous consent that I may yield to the distinguished Senator from Tennessee, provided that in doing so, I shall not lose my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORE. Mr. President, the distinguished senior Senator from Indiana has just served notice of his move in the Senate Finance Committee on matters of procedure. The chairman of a Senate legislative committee has certain traditional responsibilities and prerogatives. In the office of each Senator is a notice from the Senator from Virginia [Mr. BYRD], chairman of the Finance Committee, calling a meeting of the committee, next Tuesday, to complete the consideration of several bills, minor in some respects, but important in others. I dare say that at that time the committee will have an opportunity to decide whether the tax bill will be given the orderly consideration which it deserves and which the public interest requires, or whether the Senate Finance Committee will yield to the administration's pressure for a rush job.

Mr. President, I shall resist a rush job. The other body has taken more than 8 months to consider and pass this bill, which is set forth in a document of more than 300 pages of technical language. Surely the Senate Finance Committee will need some time for staff work, so as to be able to understand the contents of the bill, before the public hearings begin. Furthermore, the committee has before it written requests from more than 60 citizens who wish to testify. I realize that pressure is being applied on some of them to withdraw their requests to testify; but it has been the traditional policy of the Senate Finance Committee, under the chairmanship of the Senator from Virginia [Mr. BYRD] and under the chairmanship of the late Senator George—in fact, even further back than that, I believe—to afford every American citizen an opportunity to testify on a tax bill, if he so requests in writing.

Mr. President, I suggest to my distinguished friend, the senior Senator from Indiana, that this bill is too important to be rushed through either the Finance Committee or the Senate.

The public interest requires careful consideration of the bill. I should like to know what the rates are and what

will be the amount of the benefits to be received by the taxpayers in the various income brackets, under the bill. I am informed by staff assistants that the bill which passed the other body yesterday would bring about tax rates which would increase the take-home pay, after income tax deductions, of the average American citizen by about 4 or 5 percent, but that some in the high income brackets would gain a 100-percent increase in after-taxes income, and some would gain a 200-percent increase.

No wonder Mr. Henry Ford is active in support of the bill. No wonder certain people are very strong for a bill which would leave loopholes intact, widen some, and provide special benefits at the same time. Yet the bill deserves careful consideration, and I shall vote against the motion of my distinguished friend, the able senior Senator from Indiana.

Mr. HARTKE. Mr. President, will the Senator yield further?

Mr. HOLLAND. I yield under the same conditions to the Senator from Indiana, with the hope that debate on the subject will be completed. I hope to complete consideration of the appropriation bill today if it is possible to do so.

Mr. HARTKE. I thank the Senator.

Mr. President, I should like to make plain to the Senator from Tennessee and also the chairman of the Finance Committee, the Senator from Virginia [Mr. BYRD], that I have no intention of destroying the prerogatives of the chairman.

However, I feel that I have the right to tell the Senate that I intend to make a motion before the Senate Committee on Finance to take up that bill in an orderly procedure and not dillydally around in the Finance Committee about a tax cut. So far as I am concerned, I do not propose a rush job. A great deal of material is ready for anyone who wishes to read it. The senior Senator from Tennessee seems to be very well informed on the subject already and indicates that he intends to proceed upon some of these very important subjects. If there are any loopholes in the bill, I might join him in closing the loopholes he wishes to have closed.

I am interested in the welfare of the working people. We talk about the importance of this subject and the fact that the bill is too important to rush through. I say that the economy of the country is more important to me than fooling around and delaying a tax bill in the Finance Committee. The Senate can move much faster than the House moved.

Mr. DOUGLAS. Mr. President, I wonder if the Senator from Florida would permit me to trespass upon his time for a few minutes to make some comments.

Mr. HOLLAND. I promised the senior Senator from Illinois, who approached me in such a gentle manner as to disarm me, that I would be happy to yield to him on the same condition that I have yielded heretofore. I yield to the Senator.

Mr. DOUGLAS. I appreciate the Senator's yielding. I did not intend to get into the discussion publicly until it was precipitated.

I must differ with my good friend, the Senator from Tennessee, with whom I am generally in agreement. The Senator from Tennessee is a great battler for a progressive system of taxation, and he follows very faithfully in the steps—and, indeed, improves upon them—of his predecessor, Cordell Hull, who is really the father of the American income tax. I regard him as one of the most valuable Members of the Senate, and one of the most valuable members of the Committee on Finance.

However, I detected an undercurrent in his plea for deliberate consideration of undue delay. I hope that undue delay will not be used as a means of defeating the measure. When we come to closing loopholes and effecting reforms, the Senator from Tennessee and I will be in very close unity on most subjects. But I do not believe that consideration of this all-important measure should be postponed. I have as much opposition to filibustering in committee as I have to filibustering on the floor of the Senate. The Senator from Tennessee is a strong-minded gentleman. He has apparently made up his mind that he wants deliberate consideration. But I know the double sense in which those terms are used. I strongly suspect that what the Senator from Tennessee wants to do is to kill the bill by bottling it up in the committee for as long as possible.

We are facing, in general, a slowdown legislatively—a slowdown on appropriation bills, a slowdown in civil rights, a slowdown on the tax bill. Certain Senators desire to tie the Senate up so that the administration program cannot get through. I am not one of those. I differ with some features of the bill as it came from the House. If it were held in its present form, I would expect to vote for it. If it is made much worse, I may vote against it. But I do believe that we should proceed to consider it. The Secretary of the Treasury is ready to testify tomorrow. I see no reason why we should not get on with the business. As I have said, I apologize to the chairman of the Finance Committee for mentioning the subject on the floor of the Senate. I had hoped to do this in a much more gentlemanly fashion. But since the Senator from Indiana has precipitated the discussion, I did not feel that I should remain silent.

Mr. GORE. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. With the same understanding, I yield very briefly to the Senator from Tennessee.

Mr. GORE. Mr. President, if the country could afford a \$11 billion reduction in revenue, there would be a type of tax reform and tax revision bill which I could and would support. But when we have a national debt of more than \$300 billion, when we have the second largest peacetime deficit in history, and when the President is on an across-the-nation tour advocating larger and not lesser expenditures for next year and the year after, I believe it is fiscal irresponsibility, if I may use that term, to reduce the Government revenue by \$11 billion.

If we could afford it, the big reduction in rates provided for in the bill should

be accompanied by much-needed reforms, which have been jettisoned in the process.

Mr. DOUGLAS. I agree.

Mr. GORE. How do we bring about a wise and adequate tax measure? Not by a rush-up job, permitting the Secretary of the Treasury to start to testify tomorrow. It seems to me that members of the Finance Committee deserve an opportunity to understand the contents of the bill in order that we may carefully and adequately examine the witnesses who come before the committee. If the Senator suspects that I desire to delay the bill, I shall remove his suspicion. I wish to kill it in its present form. It is unsound. The country cannot afford it. In my opinion it would shock international confidence in the soundness of the dollar. It would increase the budget deficit and we would have to borrow the necessary money to provide for tax cuts.

What sense does that make?

Moreover, instead of stimulating the economy in the most effective way, the proposed legislation would be a hit-or-miss, ineffective way.

If I could support that kind of reduction in governmental revenue as a necessary means of stimulating the economy, I would want to reduce taxes in areas in which consumer demand would be increased and expenditures would be greater by consumers. So if it is insisted that we quickly reduce revenue by the amount proposed, I shall offer as a substitute an increase in the personal exemption for each taxpayer and for each dependent from \$600 to \$800 or \$900.

Mr. President, that is the most unrealistic provision in our tax code. The personal exemption was \$800 in 1940, when the cost of living was less than half what it is now.

Ask any parent who has tried to educate a child if it can be done for \$600 a year.

Senators should understand that I would vote against this monumental reduction in Government revenue in whatever form it came, because I think it would be dangerous to our national economy, dangerous to our international prestige, and dangerous to the soundness of our currency. But if we must have it, I want to give tax relief where it is needed most, to the parents who have the greatest number of children. This would actually stimulate the economy.

What good will it do to give Henry Ford an extra \$1 million a year income after taxes? He might build another yacht in Holland.

This proposal deserves careful consideration. I do not want to vote for any motion to set an arbitrary limit on the careful consideration of this measure by the Senate Finance Committee.

Mr. HARTKE. Mr. President, will the Senator yield?

Mr. HOLLAND. Mr. President, I am sorry to say, having heard some discussion of an 8-month delay which might be possible when we begin the tax reduction debate, that I shall have to decline to yield further on the subject of taxation.

Mr. HARTKE. Mr. President, will the Senator yield for one-half minute?

Mr. HOLLAND. I am very sorry but I must decline.

The PRESIDING OFFICER (Mr. NELSON in the chair). The Senator declines to yield.

Mr. HOLLAND. I think I have been reasonably considerate of all Senators concerned.

DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATIONS, 1964

The Senate resumed the consideration of the bill (H.R. 6754) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, and for other purposes.

CORRECTION OF THE RECORD

Mr. HOLLAND. Mr. President, yesterday during debate on the agricultural appropriation bill, on page 17093, in the third column of the printed RECORD, I stated:

Mr. President, I offer for the record at this point the language for the committee report known as Committee Print "A" Revised—which are the words suggested by myself as chairman of the subcommittee.

At that point the Presiding Officer directed that it be included as requested.

Through some inadvertence, this insertion does not appear in the CONGRESSIONAL RECORD of yesterday's proceedings. I request that Committee Print "A" Revised, be printed in the RECORD at this point so that it may be considered, if referred to, in further debate on the agricultural appropriation bill.

There being no objection, the Committee Print "A" Revised was ordered to be printed in the RECORD, as follows:

COMMITTEE PRINT A, REVISED SEPTEMBER 12, 1963

DRAFT STATEMENT FOR COMMITTEE CONSIDERATION IN REGARD TO THE ELECTRIFICATION LOAN PROGRAM OF THE RURAL ELECTRIFICATION ADMINISTRATION

H.R. 6754

The success of the rural electrification program in bringing electricity to the farms and rural areas has been an outstanding development in the past quarter century. It is difficult to measure the great benefits that have flowed to the nonfarm population as a result of rural electrification. With the advent of electrification to the rural areas, farm families had available to them the electrical household equipment long known to the city dweller. In addition, the small power-type equipment operated on farms has opened a vast market in manufacturing and commerce. The rapid growth in the economy has in large part developed from the contribution that REA-financed electrification loans has brought to the rural areas.

During recent years, a controversy has developed in regard to the purpose and need of some of the loans made by the Rural Electrification Administration for generation and transmission purposes. Representatives of private power companies have stated that some loans are unnecessary and are being made where there are adequate supplies of energy already available. Representatives of the Rural Electrification Administration assert that it is essential that the cooperatives be in a position to retain and be able to serve those areas which they have developed as rural service areas even though there may be

growth resulting from the industrial development as well as normal population growth. They also claim that private suppliers of power attempt to impose dual rates and other restrictive provisions in power supply contracts. They also claim that private suppliers seek to bring power into rural areas previously established by them.

As previously stated, this committee believes that both the rural electric cooperative and the private power companies who furnish most of the supply of energy needed to serve the electric cooperatives are here to stay and they should make every effort to enter into earnest negotiations with the objective of developing long-term power supply contracts. Long-term contracts, together with a definite understanding as to the areas in which each will serve, will enable both the companies and the cooperatives to plan for future needs at reasonable rates and provide an expanding market for private power companies. It is to the mutual advantage of the cooperatives and the private companies to enter into satisfactory power supply arrangements as well as an understanding that neither will encroach on the service territories of the other, if such an understanding is not inconsistent with State regulation or policy.

The committee does not look with favor upon unfair or dilatory tactics or protracted delays on the part of either party in such contract negotiations. The committee is opposed to the imposition of dual rates in power supply contracts and believes that the cooperatives should state their needs clearly and concretely, and that the suppliers of power should in turn clearly set forth the terms and conditions of power supply contracts.

The committee does not favor the consideration and approval of generation and major transmission loans by the agency until and unless it has been demonstrated that the private sources of energy supply are unavailable to meet the needs of the applicant borrower under reasonable terms and conditions. Further, the committee does not favor the consideration and approval of loans which embody, as a part of the feasibility of such loan, the contingency of a future loan, or loans under which the borrower would enter into leasing arrangements or contemplate the ultimate transfer of facilities which it has developed or acquired as a result of a loan to another cooperative or other agency not eligible to borrow directly from the Rural Electrification Administration.

The committee concurs fully with the requirements set forth in the House committee report relative to the approval by REA of loans for generation and transmission purposes. The committee expects to be furnished with a copy of the Administrator's findings and certification to the Secretary of Agriculture setting forth the results of his negotiations, on terms and conditions of power supply contracts. The committee also expects to be advised whenever the REA Administrator is able to assist in the negotiations of modifications in private power supply which result in the cancellation of a pending loan application.

The committee requests that the following information in connection with pending loans and new loan applications in excess of \$2,000,000 for generation loans and for all major transmission loans to be compiled and submitted to the Comptroller General of the United States within thirty days after the receipt of such applications and at least thirty days prior to the approval of a loan:

1. The name and address of the applicant borrower and the date of the application.
2. Description and estimated cost of the proposed generation facilities. Indicate if the proposed facilities are the initial or additional unit or units of a plant comprised of one or more units.

3. Description and estimated cost of proposed transmission facilities including any immediate or future plans to interconnect with other transmission systems.

4. Description of any long-range plans the applicant may have for construction of additional generation and transmission facilities and the estimated cost of the planned facilities.

5. Comparison of the estimated costs of generation by the applicant borrower with the cost of power available from existing suppliers, including the final offer by the private supplier including terms and conditions he offered to meet applicant's long-term energy needs.

6. Summary of the efforts made by the applicant and by REA to obtain the applicant's power and energy requirements from existing power suppliers and the reasons why such efforts have not been successful.

7. Explanation of the applicant's reasons for seeking an REA loan.

8. The amount of electric energy which the applicant will cease to purchase from present power suppliers upon construction of the generating plant for which REA financing is being sought.

9. Explanation of the extent to which the feasibility of the requested loan for generation and transmission facilities depends upon the use of a portion of the facilities by others (including Federal power marketing agencies).

10. Details of the applicant's plans to sell or otherwise make available any of the power and energy from the proposed generation facilities to others (including Federal power marketing agencies).

11. Names of State agencies and commissions having jurisdiction over the applicant borrowers.

The committee expects the Administrator to examine into all complaints which may come to his attention concerning territorial disputes between REA cooperatives and commercial power companies and report to the committee in January of each year the salient facts involved, the disposition of the complaints, and the basis for such dispositions.

SECTION V LOANS

The committee concurs in the recommendations in the House committee report that the Administrator of REA should not make section V loans in competition with private sources of credit, or as a replacement or substitution for loan purposes authorized by the Area Redevelopment Act, Public Law 87-27. Such loans should be very limited since most of the need for such loan purposes no longer exists. The committee requests the Administrator of REA to provide it with a summary of pending section V loan applications as well as a copy of his certification to the Secretary on the necessity for making these loans.

Mr. HOLLAND. Mr. President, further, I request that in the permanent Record of yesterday's proceedings Committee Print A Revised appear immediately after the point in column 3 on page 17093 of the permanent Record, where it was requested to be inserted in the proceedings yesterday.

This would be after the words "more satisfactory" at the end of the third paragraph of the last column on that page.

The PRESIDING OFFICER. The permanent Record will be corrected, as requested.

Mr. HOLLAND. Mr. President, my distinguished friend, the senior Senator from Delaware is, as usual, in his seat in the Senate during this debate.

Yesterday I asked for unanimous consent on a certain matter. I am about to

renew that request. As I understood, it was objected to only by the distinguished Senator from Delaware. I shall renew it, in the hope that the Senator may have changed his mind.

Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc; that the bill as thus amended be considered as original text for the purpose of amendment; and that no points of order be waived.

The PRESIDING OFFICER. Is there objection to the request by the Senator from Florida?

Mr. WILLIAMS of Delaware. Mr. President, reserving the right to object, I assure the Senator from Florida that I wish to cooperate, and I will cooperate in agreeing to his unanimous-consent request if there is no further misunderstanding on the point which I raised yesterday.

If the Senator will bear with me, I should like to repeat the argument which I was making yesterday. If there is no exception being taken to my statements, then I shall withdraw any objection to considering the amendments en bloc.

The reason I objected yesterday was because I thought there was a matter which deserved to be straightened out in the Congress in order that we could give to the American taxpayers the true picture as to the actual cost of operating this program.

I emphasize again that in making this statement that the true picture was not being given to the taxpayers, I am in no way reflecting upon the chairman of the committee or upon the committee itself, because I find no fault with the bill or with the report made by the Appropriations Committee. What I find fault with is the false claim of this administration that it has reduced the cost in fiscal 1964 of administering the agricultural program by \$928 million. I insist that that is a false claim and cannot be supported by the facts.

I objected to this same point in January. I am renewing my objection again today, because this is the place to document it or to prove that it is correct. We now have before us the agriculture appropriations bill.

On January 14 of this year, President Kennedy presented before a joint session of Congress his state of the Union message. I wish to quote from that message:

In submitting a tax program * * * and in recognition of the need to control expenditures—I will shortly submit a fiscal 1964 administrative budget which, while allowing for needed rises in defense, space, and fixed interest charges, holds total expenditures for all other purposes below this year's level.

Three days later, on January 17, he submitted to the Congress the budget, which I have in my hand, for the fiscal year ending June 30, 1964.

On page 41 of that budget Senators will find that the President, in listing appropriations for the Department of Agriculture and comparing the fiscal year 1963 appropriations with the budget request for this year, claims a reduction of \$928 million. I said at the time that that claim was false. To prove that it is false I refer to the report which is before the Senate on the bill now pending.

On page 1 of Report No. 497, Calendar No. 476, accompanying the bill, H.R. 6754, information in this regard is given. I ask unanimous consent that the front page of this report may be printed in the RECORD at this point.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

MR. HOLLAND, FROM THE COMMITTEE ON APPROPRIATIONS, SUBMITTED THE FOLLOWING REPORT (TO ACCOMPANY H.R. 6754)

The Committee on Appropriations, to which was referred the bill (H.R. 6754) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, and for other purposes, report the same to the Senate with various amendments and present herewith information relative to the changes made:

Amount of bill as passed House (direct appropriations)-----	\$5, 979, 457, 000
Amount of increase by Senate committee (net)-----	67, 281, 340
Amount of bill as reported to Senate-----	6, 046, 738, 340
Amount of appropriations, 1963-----	6, 007, 599, 910
Amount of estimates for 1964-----	6, 368, 755, 000
The bill as reported to the Senate:	
Over the appropriations for 1963-----	39, 138, 430
Under the estimates for 1964-----	322, 016, 660

Mr. WILLIAMS of Delaware. I quote from the report:

Amount of bill as reported to Senate, \$6,046,738,340.

The committee further states that the amount of appropriations last year was \$6,007,599,910, and that the bill which is before the Senate compared to last year carries an increase of \$39,138,430, which is in direct contradiction to the budget claim that there has been a \$928 million reduction.

The difference in the figures arises because of the fact that the Bureau of the Budget did not submit to the Appropriations Committee and the Congress a request for the restoration of the full loss that has been sustained by the Commodity Credit Corporation. This is not an unusual practice. That figure has been omitted in previous years, but it is unusual for an administration to distort these facts for the deliberate purpose of deceiving the voters.

The total accumulated unrestored losses, as I pointed out yesterday, approximate \$7,799 million. This is described on page 10 of the Commodity Credit Corporation's report of May 31, 1963, as unrestored, realized losses. These are losses which have actually been sustained on commodities sold by the Commodity Credit Corporation. They have been disposed of. They are gone. The losses are sustained. The fact that this appropriation bill does not embrace all of the funds necessary to write off the cost of the program in no way means that the taxpayers have saved that money.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I will yield in just a moment.

What I am trying to do here today is to establish beyond any contradiction the fact that contrary to what the Bureau of the Budget said and contrary to what the President is saying in his political speeches the appropriation bill to cover the appropriations for the Department of Agriculture this year will cost the taxpayers more money than it did last year.

I yield to the Senator.

Mr. HOLLAND. Mr. President, I yield to the ranking minority Member of the committee, the Senator from North Dakota [Mr. YOUNG].

Mr. YOUNG of North Dakota. I thank the Senator.

The figure the distinguished Senator from Delaware uses of \$7 billion does include some programs which really are not agricultural programs, such as the school lunch and milk programs, and our giveaway programs of food for foreign countries and sales for foreign currencies under Public Law 480. I believe these and other similar programs make up about half of the \$7 billion.

Mr. WILLIAMS of Delaware. I do not know the exact figure, but the analysis by the Senator from North Dakota is correct. The figure of unrestored but realized losses does include many programs which should not be charged to the American farmers. The school lunch program cost is included. Certainly the school lunch program should not be charged to the farmers. Likewise, there is a charge for all the free food which is given away under our welfare programs. That is charged up to our farmers. There are many sales under Public Law 480. There is an argument as to how much of that is really foreign aid or an agricultural program.

I agree fully that it is not correct to say that all of this \$7 billion accumulated loss should be charged to the American farmer. I am glad the Senator has raised that point.

The point I am making is that, so far as the taxpayers are concerned, dollars have been spent, and losses have been sustained. For proper accounting they should be included as a part of the expenses as we go forward; otherwise it will be giving a false impression to the taxpayers—I suspect with an eye on the voters—when they say, "See how we are reducing expenditures for the agricultural programs because we are not asking for appropriations as big as last year."

The reason why they were not asking for appropriations as big as last year is that they are not paying the bills, but the bills must be met. They have been contracted for, the losses have been sustained, and it is only postponing the day of reckoning.

If there is no contradiction to my charge that the Budget Bureau and the administration have been making a false claim in this connection and if no Senator raises objection to the point I am making, I will agree to allow the amendments be considered en bloc. But if any Senator says that this represents a \$928 million saving, I will go through the bill piece by piece and try to find this imaginary savings. I have not found it. I do not think anyone else can find it.

The Senator from Florida has never asserted that there was such a saving. He frankly reported that the bill calls for an increase of some \$39 million. He made a very proper report.

It is the administration which has been trying to fool the American people.

I complimented the Senator on being factual in reporting the bill to the Senate, but I want the Budget Bureau, the President, and other administration officials to be equally factual when telling the voters what they are spending. They cannot get away with these false claims when every single department of Government is asking for more money than last year.

The Department of Agriculture is asking for more, as everybody now seems to agree.

The Department of Commerce is asking for \$150 million more this year. The Department wants to add 3,497 new employees.

The Department of Health, Education, and Welfare is asking for \$694 million more than last year and an increase in their payroll of 5,931 employees.

The Justice Department asked for an increase of \$20 million over last year and, in addition, 765 new employees.

The Labor Department wants \$194 million extra money and 1,293 new employees.

The General Services Administration wants \$62 million more than last year and wants to add 3,208 new employees.

The Housing and Home Finance Administration wants 802 more employees.

The Treasury Department wants to add 4,149 new employees with an additional appropriation of \$421 million.

The President asked for \$111 million over and above last year appropriations for the Department of the Interior, and that Department wants to add 3,999 new employees.

Altogether, the Budget Bureau is asking Congress to give them extra money to enable them to add 36,429 additional employees to the Federal payroll. Prior to this they had already added 152,291 extra employees.

I take strong exception to the President's backhanded claim that he has not increased the Federal payroll. That statement cannot be supported by the facts. The President has said there are fewer civilian employees on the payroll today than there were 10 years ago, in 1953. What does that prove? In early 1953 a war was in progress in Korea, and the Government had an unusually large number of civilian employees in the Defense Department. Certainly the President is not going to compare the number of employees today with the number during war years; 152,291 employees were added to the payroll in the first 30 months of this administration, and they are still being added at the rate of around 5,000 a month. I do not intend to let the administration get by with false assertions that it is making great strides in economy when it is spending more money in every single Department of Government.

There were 2,509,028 employees on the Federal payroll on June 30, 1960. On January 1, 1963, there were 2,356,737.

That means that in the first 30 months President Kennedy had been in office he has added 152,291 employees, or an addition of 5,000 a month. That is 1,250 every week. On the basis of a 5-day, 40-hour workweek, he is adding 250 employees every day. Or, reducing the figure still further, for every 2 minutes he has been in office, on the basis of a 5-day, 40-hour workweek, he has been adding 1 additional employee.

Yet he says, "See how we are reducing expenditures." They are not reducing expenditures. This is the most extravagant administration ever to hold public office. No man who operates a business would ever operate in that way. I never had the opportunity to go to Harvard but the school I attended, the School of Hard Knocks, taught me that I cannot conduct my business by continually spending more than my income. Neither can the Federal Government.

This administration for fiscal 1964 has the highest budget that has ever been submitted in the history of the Congress of the United States. This year it exceeds the record budgets during World War II. This is the most spendthrift administration that has ever been in Washington.

I shall be glad to yield to anyone who claims that the administration is saving money. But if Senators accept the statement which I have just made I will not object to the Senator from Florida's obtaining consent, in the interest of orderly procedure, to approve the amendments en bloc, with the full explanation that the bill, when passed, calls for increases in appropriations over last year. The Senator from Florida has made a fair report to the Senate, and I compliment him on it. I hope the President as well as other administrative officials will take due notice of it.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. HOLLAND. Mr. President, I wish to yield first to the distinguished ranking minority member of the subcommittee.

Mr. YOUNG of North Dakota. Mr. President, I have no disagreement with the Senator from Delaware when he talks about increased expenditures by the Government. The Subcommittee on Agricultural Appropriations, under the leadership of the Senator from Florida [Mr. HOLLAND] did as good a job as it possibly could. The Senator from Florida did a painstaking job on the bill. He is one of the most able and conscientious Members of the Senate. I do not know of any more capable Senator.

One of the problems is that Congress has piled additional functions on the Department of Agriculture. For example, in years past billions of dollars were appropriated under the foreign aid program for foreign countries to buy food from us. Now all this expenditure is piled on the Agriculture Department, and it comes to Congress as a charge to the Commodity Credit Corporation and price support program, when actually such expenditures should be charged to the foreign aid program.

I am sure the Senator from Delaware will agree with that statement.

Mr. WILLIAMS of Delaware. I fully agree with it. I have been looking forward to the time when we could separate some of the costs. I talked with the Senator from North Dakota about it and expressed the hope that we could, as a private project if nothing else, break the costs down.

I join the Senator from North Dakota in complimenting the Senator from Florida, as chairman of the subcommit-

tee; for the work he has done, not only this year, but in past years. I compliment him particularly for his factual report of what is being done.

Perhaps increases for some of the programs can be justified. But all I am saying is that I expect the President, the Budget Bureau, and all the other officials to tell the truth when they speak to the American taxpayers. They should admit that this program and every other program is costing more than they did last year.

Let no one be under any illusions this is the most extravagant and spendthrift administration that has ever had control of our Government. They appear to have very little conception of sound economics.

Mr. HOLLAND. Mr. President, I appreciate the kind statements of both my colleagues.

I note standing on his feet the dean of the legislative Committee on Agriculture and Forestry on the minority side, the senior Senator from Vermont [Mr. AIKEN].

Mr. YOUNG of North Dakota. Mr. President, I wanted to get an insertion into the RECORD.

Mr. HOLLAND. I yield, then, to the ranking minority member of the Appropriations Subcommittee.

Mr. YOUNG of North Dakota. I ask unanimous consent to have inserted in the RECORD at this point a table giving a breakdown of the various programs of the Department of Agriculture, indicating various programs having multiple benefits to the public. There are also data showing programs predominantly beneficial to the farmer.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Budget expenditures of U.S. Department of Agriculture (based on 1964 budget)

[In millions of dollars]

	Fiscal year 1962	Esti- mated fiscal year 1963	Esti- mated fiscal year 1964 ¹		Fiscal year 1962	Esti- mated fiscal year 1963	Esti- mated fiscal year 1964 ¹
Programs having multiple benefits and not directly chargeable to the farmer:				Programs predominantly for the benefit of the farmer:			
Programs having foreign relations and defense aspects, including Public Law 480	2,051	1,856	2,016	Agricultural conservation program	269	231	214
Food distribution programs, including the program for removal of surplus agricultural commodities, school lunch, and special milk	460	480	499	Conservation reserve program	344	308	294
Investment in REA and FHA loans, which are subject to repayment	499	611	448	Land-use adjustment program		6	19
Long-range programs for the improvement of agricultural resources, including research, meat inspection, disease and pest control, education, market development and services, protection of soil and water resources, and forest and public land management	849	939	994	CCC price support, supply and related programs, and National Wool Act, acreage allotments and marketing quotas, and special agricultural conservation and adjustment programs	2,117	2,980	1,987
Total	3,859	3,886	3,957	Sugar Act program	80	82	84
				Total	2,810	3,607	2,598
				Grand total	6,669	7,493	6,555

¹ Reflects budget amendment in H. Doc. 81.

Mr. HOLLAND. I now yield to the Senator from Vermont.

Mr. AIKEN. I merely wish to remind the Senator from Delaware and the distinguished Chairman of the Subcommittee on Agricultural Appropriations that when Mr. Benson was Secretary of Agriculture he submitted a breakdown of agricultural appropriations to the House Appropriations Committee. At that time agricultural appropriations were about

\$6 billion a year. Mr. Benson's breakdown showed that approximately half of that amount, or \$3 billion, was properly chargeable to the general public instead of to American agriculture. Nevertheless, the custom had grown up through the years of attaching everything that could possibly be added to the agricultural appropriation bill, with the assurance that everything would probably be accepted by Congress. In that

way approximately half of the agricultural appropriations of today could very properly be charged to the Armed Services, the State Department, the Department of Health, Education, and Welfare, and perhaps many other departments of the Government.

Mr. HOLLAND. I thank the Senator. The Senator's comment is absolutely correct. The proportion is probably more than half.

Mr. AIKEN. Yes.

Mr. HOLLAND. Out of a total bill of about \$6 billion, more than half is chargeable to objectives that all of us agree are commendable and in the national interest.

Mr. AIKEN. Over the years, as the appropriations for research have been increased, the increase has been used for consumer research and for processing and marketing research, rather than production research.

Mr. HOLLAND. That is correct.

The PRESIDING OFFICER. Is there objection to the unanimous consent request of the Senator from Florida [Mr. HOLLAND]?

Mr. HOLLAND. In reply to my distinguished friend from Delaware, all I can say is that the facts developed by our committee are truthfully stated in the report. We are under the budget estimate for this fiscal year by \$322 million plus. We are over the entire appropriations for 1963 by \$39 million plus. The remaining figures with reference to the bill—and we believe them to be completely correct—are stated on page 1 of the report.

As to the point made by the distinguished Senator from Delaware, I believe he is talking about expenditures in the last fiscal year as compared with proposed expenditures in the next year. Our committee does not deal with that subject. It deals with appropriations. It deals with the budget request, and that part of the request that we find to be justified and which we recommend to the Senate as being appropriate to be the subject of the appropriation bill; also a few additional items not to be found in the budget, but which we added to the bill.

We shall have to stand on our report, in which it is very clearly stated that we are over the entire appropriations for 1963 for these various objectives by \$39 million plus.

I do not care to go into the subject of comparative dollar expenditures, first, because we do not have mastery of those figures, next, because the estimate of the expenditures that will be made in 1964 will be completely beyond the grasp of the committee, inasmuch as we do not know what proportion of the funds it is proposed to spend in the remaining 9 months of the year; nor do we know what proportion of the funds that still remain in the various agencies within the Department is proposed to be expended.

Therefore, I hope the Senator from Delaware will be satisfied with this statement, and will permit the Senate to proceed in the method that is regularly followed in connection with appropriation bills.

First I yield to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, I should like to have the Senator from Delaware repeat the figures which he has given about the number of new employees that will go on the Federal payroll if the budget of the Government is accepted, and also what the increased cost will be, not only for the employees but also for other expenditures of the Government.

Mr. WILLIAMS of Delaware. The additional employees that are asked for in the fiscal 1964 budget, as submitted to Congress on January 20, is 36,492 over and above the employees already on the payroll. As I pointed out before, the administration has already added 152,291 additional employees between January 1, 1961, and June 30 of this year. I do not have the figures as to what has been done since June 30.

When the President, in his speeches, is claiming that the payroll has been reduced as compared to 1953, he is going back 10 years, to a period when we were engaged in a war in Korea.

That is no basis for a comparison, and it is interesting to note that even to get that comparison he had to go back to an earlier Democratic administration.

I am comparing today's situation with what it was when the President took office. He has added extra Federal employees at the rate of 5,000 per month for every month he has been in office.

Anyone who goes through the budget line by line will find that there is a request for increased appropriations in every department of the Government, from top to bottom.

In the face of this record the President claims that he is saving \$928 million on agriculture. That is a false claim. The Senator from Florida frankly states that he is asking for an appropriation which is \$39 million above last year's appropriation and thereby disproves the President's claim. The Senator from Florida has been honest and fair in presenting the report and I shall withdraw my objection to considering the amendments en bloc.

The only reason why I objected yesterday was that the President had made this false claim and I intended to prove it false. Had there been any difference of opinion or had any Senator taken exception to my statement that the \$928 million claimed saving was false I would insist on going through the bill item by item, to have him show me where that saving was. I could not find it, and neither can anyone else. I withdraw my objection to the consideration of the amendments en bloc. As I said before, the Senator from Florida has confirmed that the requested appropriations are above last year's appropriation. That is true of every agency of the Government.

The fact that now the administration is asking for a tax cut on top of these large deficits is absolutely ridiculous and irresponsible. However, I will not take the time of the Senate to start a tax argument.

The PRESIDING OFFICER. Is there objection to the unanimous consent request of the Senator from Florida?

Mr. LAUSCHE. Mr. President, may I ask another question?

Mr. HOLLAND. I yield to the Senator from Ohio.

Mr. LAUSCHE. I wish to explore this subject. To obtain a correct figure on the number of new employees placed on the payroll since January 1, 1961, and the number that will be employed by the end of fiscal year 1964, it is necessary to take the figure of 152,291, the number

that was placed on the payroll up to June 30 of this year, and add to that figure the figure of 36,492, which is the figure envisioned by the money asked for in the 1964 budget. Is that correct?

Mr. HOLLAND. That is correct.

Mr. LAUSCHE. That would make a total of 188,783 additional employees.

Mr. HOLLAND. That is correct.

Mr. LAUSCHE. With reference to the 36,492 that are intended to be added in fiscal year 1964, what is the present average salary? Has the Senator made that calculation?

Mr. WILLIAMS of Delaware. I have not calculated it to see what it would amount to in dollars. Of course, it will call for additional appropriations; there is no doubt about that.

Mr. LAUSCHE. I calculate it in this way: I assume the average salary is \$6,000. That means an additional \$202 million for the next fiscal year alone.

Mr. WILLIAMS of Delaware. I have not calculated it. The point I was making is that it was not possible to increase expenditures in every department of Government, add additional employees over and above the number that were employed previously, keep spending more and more money, and then say, "We are cutting down expenditures." I do not intend to sit back and let anyone—either the President or any other official—get away with creating that false impression.

I appreciate the tolerance of the Senator from Florida. I am sorry to have caused him delay.

Since no Senator has taken exception to my remarks here today, since Senators are willing to accept the fact that the Bureau of the Budget was erroneous in its earlier claim, I withdraw my objection to the consideration of the amendments en bloc.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Florida that the committee amendments be agreed to en bloc? The Chair hears none, and it is so ordered.

The committee amendments agreed to en bloc are, as follows:

On page 2, line 6, after the word "utilization", to strike out "marketing,"; in line 24, after the word "for", to strike out "five" and insert "two", and in line 25, after the word "exceed", to strike out "\$40,000" and insert "\$50,000".

On page 3, line 8, after the word "products", to strike out "agricultural marketing and distribution, not otherwise provided for, including related cost and efficiency evaluations,"; in line 14, after the figures "\$100", to strike out "\$94,045,000" and insert "\$91,811,700"; in line 15, after the amendment just above stated, to strike out "; plus \$400,000, to remain available until expended, for construction, alteration, and equipping of facilities; in all \$94,445,000: *Provided*, That, in addition, not more than \$5,000,000 may be transferred from the Commodity Credit Corporation to this appropriation, in accordance with the Act of June 29, 1948 (15 U.S.C. 714b), for cost of production and other research designed to decrease the present or future investment of the Commodity Credit Corporation in agricultural commodities, such research to be conducted through contracts and grants as authorized by the Act of August 14, 1946, as amended" and in lieu thereof, to insert a colon and "*Provided*,

That, in addition, not to exceed \$35,000,000 may be transferred from the Commodity Credit Corporation to this appropriation, in accordance with the Act of June 29, 1948 (15 U.S.C. 714b), for utilization research and development, cost of production research, and other related research designed to reduce surplus commodities held or to be held by the Commodity Credit Corporation, and such amounts as are required for the construction, alteration, and equipping of research facilities for utilization research and development shall remain available until expended."

On page 5, line 2, after "(21 U.S.C. 114b-c)", to strike out "\$59,505,000" and insert "\$66,821,500", and in line 9, after "per centum", to insert a colon and "Provided further, That no funds shall be available for carrying out the screwworm eradication program that does not require minimum matching by State or local sources of at least 50 per centum of the expenses of production, irradiation, and release of the screwworm flies".

On page 6, line 6, after the word "butter", to strike out "\$27,638,000" and insert "\$28,126,250".

On page 6, after line 15, to insert:

"SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

"For purchase of foreign currencies which accrue under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), for market development research authorized by section 104(a) and for agricultural and forestry research and other functions related thereto authorized by section 104(k) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704(a)(k)), to remain available until expended, \$2,500,000: *Provided*, That this appropriation shall be available, in addition to other appropriations for these purposes, for the purchase of the foregoing currencies: *Provided further*, That funds appropriated herein shall be used to purchase such foreign currencies as the Department determines are needed and can be used most effectively to carry out the purposes of this paragraph, and such foreign currencies shall, pursuant to the provisions of section 104(a), be set aside for sale to the Department before foreign currencies which accrue under said title I are made available for other United States uses: *Provided further*, That not to exceed \$25,000 of this appropriation shall be available for purchase of foreign currencies for expenses of employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a)."

On page 7, line 21, after the word "including", to strike out "\$38,113,000" and insert "\$40,613,000", and on page 8, line 14, to strike out "\$40,383,000" and insert "\$42,883,000".

On page 8, at the beginning of line 22, to strike out "\$63,020,000" and insert "\$68,430,000", and on page 9, line 3, after the word "all", to strike out "\$64,590,000" and insert "\$70,000,000".

On page 9, line 13, after the word "employees", to strike out "\$7,110,000" and insert "\$7,435,000".

On page 10, line 10, after "(7 U.S.C. 1621-1627)", to strike out "\$1,195,000" and insert "\$1,201,000".

On page 10, line 23, after the word "aircraft", to strike out "\$97,480,000" and insert "\$99,000,000".

On page 12, line 10, after the word "expended", to strike out "\$63,222,000" and insert "\$63,992,000".

On page 13, line 23, after "(16 U.S.C. 590p)", to strike out "\$12,994,000" and insert "\$14,640,000".

On page 15, line 10, after the word "products", to strike out "\$9,832,000" and insert "\$9,965,700".

On page 16, line 8, after the word "laws", to strike out "\$11,079,000" and insert "\$11,486,000".

On page 16, after line 12, to strike out:

"MARKETING SERVICES

"For expenses necessary to carry on services related to agricultural marketing and distribution as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627) and other laws, including the administration of marketing regulatory acts connected therewith and for administration and coordination of payments to States; and this appropriation shall be available for field employment pursuant to section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$25,000 shall be available for employment at rates not to exceed \$75 per diem under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), in carrying out section 201(a) to 201(d), inclusive, of title II of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1291) and section 203(j) of the Agricultural Marketing Act of 1946; \$37,061,000."

And in lieu thereof, to insert:

"MARKETING RESEARCH AND SERVICE

"For expenses necessary to carry on research and service to improve and develop marketing and distribution relating to agriculture as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627) and other laws, including the administration of marketing regulatory acts connected therewith; research and development, including related cost and efficiency evaluations, and services relating to agricultural marketing and distribution, for carrying out regulatory acts connected therewith, and for administration and coordination of payments to States; and this appropriation shall be available for field employment pursuant to section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$25,000 shall be available for employment at rates not to exceed \$75 per diem under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a) in carrying out section 201(a) to 201(d), inclusive, of title II of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1291) and section 203(j) of the Agricultural Marketing Act of 1946; \$44,514,100, of which \$1,600,000 is to remain available until expended for the construction of a peanut quality research facility and the acquisition of the necessary land therefor by donation: *Provided*, That research investigations undertaken at the national peanut quality evaluation laboratory must be truly national in scope and must give equivalent treatment to the different types of peanuts produced and marketed in the major peanut producing areas: *Provided further*, That appropriations hereunder shall be available pursuant to 5 U.S.C. 565a for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of erecting any one building during the fiscal year shall not exceed \$20,000, except for one building to be constructed at a cost not to exceed \$50,000, and the cost of altering any one building during the fiscal year shall not exceed \$7,500 or 7.5 per centum of the cost of the building, whichever is greater."

On page 18, line 19, after "(7 U.S.C. 1623(b))", to strike out "\$1,425,000" and insert "\$1,500,000".

On page 19, line 23, after the word "than", to strike out "\$40,000,000" and insert "\$51,500,000", and on page 20, line 1, after the word "Program", to strike out the comma and "and (5) not more than \$25,000,000 for transfer to the Commodity Credit Corporation to be used to increase domestic consumption of any farm commodity or farm

commodities determined by the Secretary of Agriculture to be in surplus supply and hereafter such sums as may be approved by the Congress shall be available for such purpose."

On page 20, line 17, after "(7 U.S.C. 1766)", to strike out "\$18,505,000" and insert "\$19,039,000".

On page 21, line 7, after "(7 U.S.C. 1-17a)", to strike out "\$1,093,000" and insert "\$1,095,000".

On page 21, line 24, after the word "Corporation", to strike out "\$105,737,000" and insert "\$107,091,400", and on page 22, line 7, after the word "appropriation", to insert a colon and "Provided further, That no part of the funds appropriated or made available under this Act shall be used, (1) to influence the vote in any referendum; (2) to influence agricultural legislation except as permitted in 18 U.S.C. 1913; or (3) for salaries or other expenses of members of county and community committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, for engaging in any activities other than advisory and supervisory duties and delegated program functions prescribed in administrative regulations."

On page 23, line 17, after the word "farmers," to strike out "Provided further, That no portion of the funds for the 1964 program may be utilized to provide financial or technical assistance for drainage on wetlands now designated as Wetland types 3 (III), 4 (IV), and 5 (V) in United States Department of the Interior Fish and Wildlife Service Circular 39, Wetlands of the United States 1956" and insert "Provided further, That no portion of the funds for the 1964 program may be utilized to provide financial or technical assistance in any State of the Union for drainage of wetlands, except as subject to the same conditions as are provided by Public Law 87-732, approved October 2, 1962."

On page 26, line 21, after "(76 Stat. 606)", to strike out "\$10,000,000" and insert "\$12,150,000".

On page 27, line 16, after the word "service," to strike out "\$3,953,000" and insert "\$3,987,000".

On page 28, line 22, after the word "Library", to strike out "\$1,420,000" and insert "\$1,426,140".

On page 29, line 13, after the word "Agriculture", to strike out "\$3,735,000" and insert "\$3,760,550".

On page 30, line 24, after "(5 U.S.C. 55a)", to strike out "\$11,162,000" and insert "\$11,287,000".

On page 31, after line 13, to insert:

"RURAL HOUSING LOANS

"For rural housing loans, \$25,000,000, to be made available in addition to and in the same manner and under the terms and conditions applicable to funds provided under section 511 of the Housing Act of 1949, as amended."

On page 31, line 23, after word "amended", to strike out "\$1,000,000" and insert "\$1,350,000".

On page 32, line 7, to strike out "\$2,000,000" and insert "\$3,500,000".

On page 32, line 16, after "(40 U.S.C. 440-444)", to strike out "\$38,367,000" and insert "\$39,367,000".

On page 33, line 16, after the word "expenses", to strike out "\$6,950,000" and insert "\$7,210,000".

On page 33, line 19, after the word "exceed", to strike out "\$3,530,000" and insert "\$3,480,000".

On page 34, line 2, after "(15 U.S.C. 713a-11, 713a-12)", to strike out "\$2,500,000,000" and insert "\$2,699,400,000".

On page 35, line 13, after the word "Act", to strike out "\$1,452,000,000" and insert "\$1,-

252,000,000", and in line 17, to strike out "\$52,515,000" and insert "\$79,000,000".

On page 35, line 22, after "(7 U.S.C. 1641-1642)", to strike out "\$86,218,000" and insert "\$92,356,000".

Mr. HOLLAND. Mr. President, I appreciate the courtesy of the Senator from Delaware.

I call the attention of the distinguished Senator from Ohio to the fact that the figures stated as those being added this year will be reduced from those totals to be added this year in considerable amount, due to the fact that the bill as reported recommends an amount of \$322 million under the total of the budget request. It will not be a large diminution of the requested amounts; but for fear the RECORD might not reflect that fact, I thought this was the appropriate time to make the statement.

Mr. President, I yield the floor.

Mr. SPARKMAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Alabama will state it.

Mr. SPARKMAN. Have the committee amendments been agreed to en bloc?

The PRESIDING OFFICER. The committee amendments have been agreed to en bloc.

Mr. HOLLAND. Mr. President, the committee amendments have been agreed to en bloc under the customary arrangement by which no points of order are waived, and any Senator who disagrees with any substantive amendment will not be precluded from making objection.

Mr. SPARKMAN. I so understand.

Mr. President, yesterday the Senator from Mississippi [Mr. STENNIS], the Senator from Colorado [Mr. ALLOTT], and I had a colloquy with respect to the rural housing program. I said I would speak at greater length on the subject today. I shall not take much time, but I wish to present some pertinent facts for the RECORD.

A little more than 14 years ago after traveling through many of the rural areas of this Nation, talking to many farmers and seeing the deplorable housing in which rural people of this country live, I, on January 27, 1949, introduced a bill, S. 685, to provide assistance to farmers in securing farm housing and other farm buildings. This bill was referred to the Banking and Currency Committee and, after due consideration by the committee, the provisions of S. 685 were included in title V of the Housing Act of 1949.

In many circles, the 1949 Housing Act is considered one of the most outstanding pieces of housing legislation ever passed by the Congress.

The majority of people remember the act because of title I; that is, the title that established the modern-day program of urban renewal which has been so beneficial to our cities. There are many others, however, who remember it—namely, the farmers of this Nation—because it provided, for the first time, a financial means for them to secure for their families, their tenants, lessees, sharecroppers, and laborers, safe and decent housing and sanitary living conditions.

It is true that other programs were enacted prior to the 1949 act which were supposed to help farmers with their housing needs. These programs, however—and I refer particularly to the Bankhead-Jones Farm Tenant Act—were geared to the purchase and development of family-size farms—housing was secondary—and they were of little help to the farmer who owned his land and needed decent housing.

In general, title V of the 1949 act provided for:

First. Loans for housing and buildings on adequate farms up to 33 years at not more than 4 percent interest.

Second. Similar loans for housing and buildings on potentially adequate farms, supplemented by annual contributions applied as a partial credit on interest and principal payments to owners of farms which, through enlargement or improvement, can be made self-sustaining within a period of not less than 10 years.

Third. Loans and grants for minor improvements and minimum repairs to farm housing and buildings to assure decent, safe, and sanitary housing and buildings, and loans to enlarge or develop farms.

The 1949 act authorized the Secretary of Agriculture to loan through fiscal year 1953, \$250 million for the construction of farm homes and buildings.

The program got off to a fine start. During fiscal year 1950, more than 3,700 loans, aggregating in excess of \$17 million were made.

I remember very vividly being at the ground-breaking ceremonies of the first house to be built with the proceeds of a title V housing loan. This occurred almost 14 years ago in Jackson County, Ala. The loan was made to a Mr. Jones. I well remember how delighted he and Mrs. Jones were that they were to have decent housing in which to live. I might add, parenthetically, that within the last year or so Mr. Jones paid his loan in full.

Mr. HOLLAND. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield.

Mr. HOLLAND. Is it not true, as a matter of history, that the repayment of these loans has been phenomenal and that the venture has been an excellent one for the Government to engage in from that point of view?

Mr. SPARKMAN. The Senator is correct. A little later, I intended to state that the total principal writeoffs and judgments outstanding amount to less than \$99,500 or two one-hundredths of 1 percent. This is an excellent record and speaks very well for the farmers of the country who sought to have decent housing.

The program continued to progress and, in fiscal year 1951, the Farmers Home Administration made over 5,000 loans, aggregating more than \$24 million. By 1952 when an additional 4,051 loans, aggregating over \$20 million, were made, the Farmers Home Administration had made loans under the title V program in all but one of the then 48 States. Rhode Island was the exception.

When the new administration took

over in 1953, it was decided that the title V program should be administered on a very limited basis and the program would be phased out. Thus, in fiscal year 1953, the number of loans dropped to 3,272 and in fiscal 1954, to 2,676.

The Congress saw matters somewhat differently, however, and in 1954 continued the program by authorizing \$100 million for farm housing loans for each of the fiscal years 1954, 1955, and 1956.

Notwithstanding, no title V loans were made during fiscal year 1955.

Early in calendar year 1956 when the general economy began to slump, it was decided that the farm housing loan program might be helpful in bolstering the economy in rural and farm areas, and the program was reactivated. Simultaneously in 1956, Congress again extended the program with an additional \$450 million lending authority to expire on June 30, 1961.

During the remainder of fiscal year 1956, some 500 loans, aggregating about \$3.6 million, were made and the program continued on a very limited basis through fiscal year 1960.

The 1961 Housing Act significantly amended the title V housing program. The President's housing message of that year pointed out a housing gap—the rural resident—and Congress was quick to act.

Title V was extended by the 1961 Housing Act to rural nonfarm families. Thus, the program became a tool, not only for farmers, but also for all rural families to provide the decent housing they needed. The loans under the amendment are the same as originally provided in the title V program, they bear 4-percent interest and are repayable over periods up to 33 years.

The 1961 act also authorized the Farmers Home Administration to make small home improvement loans without taking a mortgage on the farm for security. This action was taken to cut down loan closing costs and speed up loanmaking.

Domestic farm labor benefits from the legislation, too, since the 1961 act authorized for the first time the Farmers Home Administration to insure loans which will provide such laborers with housing and related facilities. These loans may be made to farmowners, associations of farmers, State and local government units, and nonprofit associations. Under this insured loan program, funds are provided by private lenders. The Farmers Home Administration deducts an administrative charge for making and servicing the loans and guaranteeing their repayment to the private lender.

In addition, the 1961 legislation authorized up to \$250,000 per year for research in farm housing needs, design, and construction. I understand that the Farmers Home Administration has moved rapidly to do these things: first, analyze the housing information contained in the agriculture census of 1959 and the population census of 1960 to determine the adequacy of existing farm housing; second, study the economic problem faced by low-income farmers and other persons who need better hous-

ing and are eligible under the law but who cannot afford the price; and third, investigate ways to improve the design, utility, comfort, and construction of farm housing, including the use of new building materials.

Under the 1961 act, the county committeemen of the Farmers Home Administration continue to determine eligible loan applicants. Because these men have lived in the community for years, they know the needs for housing and they make certain that the benefits of the act go only to those for whom the benefits are intended. The county committee fills an important gap here because the law requires that rural housing loans be made only to those who are unable to obtain adequate financing from other sources.

As I stated a moment ago, in 1956 Congress continued the farm housing program through fiscal year 1961 by adding an additional \$450 million loan authority to the program. In 1961, there was an unused balance of approximately \$200 million of the 1956 authorization. The 1961 Housing Act extended the program by making available the unused balance and by supplementing it with an additional \$200 million.

Since the 1961 amendments, activity under the program has increased sharply.

In the past 2½ years, more loans have been made for rural housing than in the previous 11 years of the program's existence. Since 1949 when the program began, a total of \$606,518,000 has

been loaned to help improve the housing conditions of some 77,500 farmers and rural families. Approximately \$326.5 million, or 54 percent, of this amount has been loaned since January 1961.

The vast bulk of the funds to date, approximately \$606 million, have been loaned to individuals to build, remodel or repair their homes.

Mr. President, I ask unanimous consent to have printed at this point in my remarks tables showing the total number and amount of farm housing loans made, by States, from 1950 through May 31, 1963.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Rural housing loans made during 1950 and 1951 fiscal years

State	1950 fiscal year		1951 fiscal year			
	Number initial	Total amount	Number			Total amount
			Initial	Subsequent	Total	
	(1)	(2)	(3)	(4)	(5)	(6)
U.S. total	3,791	\$17,229,474	5,154	142	5,296	\$24,104,841
Alabama	226	1,150,270	232	7	239	1,184,410
Alaska	0	0	1	0	1	1,000
Arizona	20	112,000	28	1	29	175,580
Arkansas	83	276,190	232	4	236	703,871
California	128	672,880	118	0	118	602,708
Colorado	30	139,160	67	2	69	393,555
Connecticut	3	6,027	9	0	9	32,490
Delaware	0	0	2	1	3	13,540
Florida	59	267,355	92	7	99	461,246
Georgia	260	1,042,530	329	14	343	1,496,304
Hawaii	21	179,940	25	1	26	182,015
Idaho	87	518,450	119	4	123	692,989
Illinois	83	293,610	87	2	89	329,168
Indiana	54	235,165	97	0	97	431,957
Iowa	43	194,915	65	2	67	260,605
Kansas	53	203,300	86	1	87	422,363
Kentucky	80	342,342	102	9	111	480,509
Louisiana	123	518,210	185	3	188	899,086
Maine	49	164,834	80	4	84	296,908
Maryland	35	145,475	22	0	22	97,155
Massachusetts	2	6,200	5	0	5	28,796
Michigan	85	386,069	149	6	155	705,634
Minnesota	53	196,667	79	0	79	299,014
Mississippi	151	530,750	277	3	280	1,072,109
Missouri	180	550,380	220	2	222	734,276
Montana	48	296,345	47	2	49	221,670
Nebraska	101	456,865	130	2	132	516,927
Nevada	6	44,300	7	1	8	49,100
New Hampshire	1	2,000	3	0	3	8,895
New Jersey	23	82,574	33	0	33	143,515
New Mexico	54	244,329	59	5	63	279,350
New York	35	128,110	47	0	47	216,857
North Carolina	115	535,565	194	3	197	947,916
North Dakota	15	67,830	74	0	64	348,241
Ohio	25	98,815	60	2	62	278,780
Oklahoma	235	1,165,174	303	17	320	1,385,425
Oregon	49	344,066	67	0	67	421,258
Pennsylvania	89	333,813	120	1	131	443,199
Rhode Island	0	0	0	0	0	0
South Carolina	104	552,390	177	2	179	954,967
South Dakota	48	237,964	70	0	70	332,401
Tennessee	137	606,340	192	3	195	966,182
Texas	328	1,567,099	300	2	311	1,647,013
Utah	75	469,012	100	2	102	574,186
Vermont	1	3,170	7	1	8	25,175
Virginia	80	448,484	93	12	105	518,362
Washington	49	371,125	54	1	55	402,954
West Virginia	63	347,005	76	8	84	485,689
Wisconsin	58	234,650	90	4	94	365,997
Wyoming	45	218,810	45	1	46	240,980
Puerto Rico	67	240,920	77	0	77	333,684
Virgin Islands	1	1,500	3	0	3	8,830

Source: Farmers Home Administration, USDA.

Rural housing loans made during 1952 and 1953 fiscal years

State	1952 fiscal year				1953 fiscal year			
	Number			Total amount	Number			Total amount
	Initial (1)	Subsequent (2)	Total (3)		Initial (5)	Subsequent (6)	Total (7)	
U.S. total.....	4,051	204	4,255	\$20,776,854	3,272	173	3,445	\$19,110,020
Alabama.....	208	1	212	1,170,701	219	1	220	1,357,098
Alaska.....	0	0	0	0	0	0	0	0
Arizona.....	25	1	26	189,623	14	0	14	122,897
Arkansas.....	323	12	335	979,353	195	13	208	714,927
California.....	91	6	97	532,778	60	1	61	470,204
Colorado.....	53	6	59	303,963	46	1	47	303,646
Connecticut.....	12	0	12	37,850	0	0	0	56,970
Delaware.....	3	0	3	12,750	0	0	0	0
Florida.....	107	0	116	648,163	60	2	62	405,013
Georgia.....	267	19	286	1,347,002	168	13	181	992,231
Hawaii.....	31	1	32	265,640	19	1	20	161,674
Idaho.....	47	7	54	294,352	51	3	54	333,860
Illinois.....	58	2	60	253,413	64	2	66	252,044
Indiana.....	72	7	79	354,220	52	3	55	315,315
Iowa.....	115	1	116	527,870	75	1	76	389,469
Kansas.....	62	3	65	356,936	48	4	52	289,897
Kentucky.....	67	6	73	387,005	121	4	125	721,295
Louisiana.....	132	4	136	703,117	121	4	125	698,402
Maine.....	58	3	61	233,255	44	8	52	205,233
Maryland.....	34	0	34	187,981	32	3	35	201,035
Massachusetts.....	7	0	7	38,452	4	0	4	18,010
Michigan.....	69	13	82	321,214	62	6	68	322,039
Minnesota.....	70	1	71	314,913	68	0	68	305,961
Mississippi.....	301	0	310	1,227,004	251	11	262	1,176,620
Missouri.....	205	5	210	804,094	179	2	181	779,964
Montana.....	33	0	36	186,900	33	3	36	227,208
Nebraska.....	69	0	69	323,258	39	2	41	210,760
Nevada.....	6	1	7	43,295	3	0	3	19,612
New Hampshire.....	4	0	4	12,125	4	0	4	18,950
New Jersey.....	32	1	33	178,621	37	1	38	243,198
New Mexico.....	52	0	57	340,557	41	1	42	266,353
New York.....	32	1	33	171,465	27	3	30	202,859
North Carolina.....	167	4	171	909,275	150	5	155	1,090,111
North Dakota.....	39	1	40	239,363	46	2	48	324,694
Ohio.....	47	2	49	205,595	49	3	52	227,700
Oklahoma.....	208	13	221	1,084,014	121	9	130	777,766
Oregon.....	53	2	55	323,919	25	2	27	168,226
Pennsylvania.....	73	2	75	394,023	56	8	64	302,713
Rhode Island.....	0	0	0	0	2	0	2	5,670
South Carolina.....	145	3	148	845,963	94	3	96	653,090
South Dakota.....	28	0	28	140,340	39	5	44	250,524
Tennessee.....	57	4	61	323,709	106	1	107	633,334
Texas.....	234	6	240	1,506,133	147	7	154	977,685
Utah.....	40	4	44	230,649	31	1	32	226,699
Vermont.....	5	0	5	17,650	3	1	4	18,280
Virginia.....	64	13	77	457,670	64	9	73	480,093
Washington.....	41	5	46	265,079	34	3	37	216,528
West Virginia.....	45	8	53	262,653	35	4	39	288,717
Wisconsin.....	61	3	64	310,034	53	9	62	275,278
Wyoming.....	27	4	31	162,895	16	3	19	117,092
Puerto Rico.....	65	0	65	319,720	53	1	54	271,626
Virgin Islands.....	7	0	7	30,300	2	0	2	16,500

Source: Farmers Home Administration, USDA.

Rural housing loans made during 1954 and 1956 fiscal years

State	1954 fiscal year				1956 fiscal year ¹			
	Number			Total amount	Number			Total amount
	Initial (1)	Subsequent (2)	Total (3)		Initial (5)	Subsequent (6)	Total (7)	
U.S. total.....	2,676	129	2,805	\$16,014,793	506	40	546	\$3,699,297
Alabama.....	177	0	177	880,022	31	0	37	273,998
Alaska.....	0	0	0	0	0	0	0	0
Arizona.....	16	0	16	145,462	3	0	3	23,956
Arkansas.....	153	14	167	601,066	35	1	39	198,284
California.....	60	1	61	536,621	8	0	8	83,764
Colorado.....	30	0	30	188,963	1	0	1	9,353
Connecticut.....	1	1	2	8,745	0	0	0	0
Delaware.....	0	0	0	0	0	0	0	0
Florida.....	48	1	49	379,978	20	2	22	162,066
Georgia.....	146	7	153	874,496	29	0	35	204,086
Hawaii.....	7	0	7	48,950	4	0	4	45,830
Idaho.....	37	1	38	265,361	5	0	5	42,462
Illinois.....	50	5	71	293,373	7	1	8	45,592
Indiana.....	42	8	50	300,780	3	0	3	21,007
Iowa.....	67	3	70	352,002	0	0	0	284
Kansas.....	33	4	37	261,757	4	0	4	20,963
Kentucky.....	33	4	37	26,1757	4	0	4	20,963
Louisiana.....	84	1	85	533,185	28	0	28	213,983
Maine.....	30	7	43	179,093	6	0	6	51,037
Maryland.....	24	0	24	185,325	4	1	5	33,410
Massachusetts.....	4	0	4	26,350	0	0	0	0
Michigan.....	66	2	68	359,937	13	1	14	93,643
Minnesota.....	53	0	53	230,051	4	0	4	35,469

Footnotes at end of table.

Rural housing loans made during 1954 and 1956 fiscal years—Continued

State	1954 fiscal year				1956 fiscal year ¹			
	Number			Total amount	Number			Total amount
	Initial (1)	Subsequent (2)	Total (3)		Initial (5)	Subsequent (6)	Total (7)	
Mississippi	184	5	189	\$958,195	73	0	73	\$396,605
Missouri	151	3	154	540,132	23	5	28	124,420
Montana	30	3	33	244,642	3	0	3	10,243
Nebraska	30	1	31	184,961	2	0	2	24,456
Nevada	2	1	3	13,147	0	0	0	324
New Hampshire	4	0	4	25,000	2	0	2	7,950
New Jersey	36	1	37	179,186	4	0	4	30,923
New Mexico	36	0	36	241,785	1	0	1	18,288
New York	28	0	28	218,691	0	0	0	6,214
North Carolina	134	7	141	882,086	34	3	37	272,708
North Dakota	35	0	35	273,594	4	0	4	53,444
Ohio	23	2	25	151,357	2	0	2	18,561
Oklahoma	93	3	96	571,960	16	4	20	121,778
Oregon	14	0	14	97,955	1	0	1	6,570
Pennsylvania	20	4	24	133,630	3	0	3	32,280
Rhode Island	0	0	0	0	0	0	0	0
South Carolina	99	5	104	641,983	34	2	36	262,661
South Dakota	51	2	53	301,096	0	0	0	506
Tennessee	113	3	116	662,518	25	0	25	132,726
Texas	136	6	142	1,026,137	24	0	24	212,157
Utah	23	7	30	181,270	5	1	6	41,815
Vermont	2	0	2	7,100	0	0	0	0
Virginia	47	7	54	358,117	8	0	8	56,333
Washington	26	3	29	206,409	2	1	3	18,105
West Virginia	39	3	42	270,316	5	1	6	52,962
Wisconsin	42	3	45	233,426	4	1	5	32,539
Wyoming	10	1	11	88,951	2	1	3	22,717
Puerto Rico	38	0	38	227,978	11	0	11	80,398
Virgin Islands	4	0	4	31,051	1	0	1	5,037

¹ Amount in 4 States showing no number is loan costs advanced to borrowers for such purposes as the payment of taxes, insurance premiums, etc. Source: Farmers Home Administration, USDA.

Rural housing loans made during 1957 and 1958 fiscal years

State	1957 fiscal year				1958 fiscal year			
	Number			Total amount	Number			Total amount
	Initial (1)	Subsequent (2)	Total (3)		Initial (5)	Subsequent (6)	Total (7)	
U.S. total	3,105	196	3,301	\$20,881,763	4,502	349	4,851	\$32,395,294
Alabama	204	14	218	1,423,916	294	19	313	1,970,589
Alaska	0	0	0	0	3	0	3	8,780
Arizona	5	0	5	34,600	14	0	14	103,836
Arkansas	114	15	129	551,190	184	14	198	846,115
California	67	2	69	639,212	83	11	94	861,917
Colorado	9	0	9	59,262	7	1	8	51,080
Connecticut	2	0	2	20,000	2	0	2	12,150
Delaware	1	0	1	31,500	2	0	2	7,525
Florida	167	5	172	1,398,857	246	12	258	2,309,637
Georgia	201	16	217	1,208,277	291	28	319	1,893,304
Hawaii	16	2	18	139,150	14	2	16	147,070
Idaho	38	3	41	374,479	55	6	61	550,752
Illinois	43	2	45	251,402	44	5	49	270,180
Indiana	26	5	31	171,993	32	4	36	209,880
Iowa	35	1	36	199,056	77	6	83	486,211
Kansas	37	0	37	213,538	39	3	42	207,928
Kentucky	59	2	61	377,959	85	12	97	657,807
Louisiana	124	12	136	896,358	134	8	142	999,477
Maine	59	1	60	407,333	124	27	151	987,307
Maryland	24	3	27	219,820	35	5	40	319,934
Massachusetts	6	0	6	29,665	2	0	2	17,235
Michigan	49	8	57	334,893	93	7	100	687,394
Minnesota	36	3	39	221,140	91	5	96	593,673
Mississippi	398	14	412	2,097,442	461	26	487	2,458,275
Missouri	209	9	218	1,026,601	224	22	246	1,323,861
Montana	24	0	24	251,111	29	2	31	265,902
Nebraska	13	2	15	96,365	31	2	33	170,249
Nevada	2	0	2	23,602	4	0	4	30,711
New Hampshire	2	0	2	5,360	3	0	3	13,279
New Jersey	15	3	18	132,887	16	1	17	148,445
New Mexico	22	1	23	182,780	25	1	26	205,439
New York	18	3	21	108,340	40	4	44	240,300
North Carolina	124	6	130	945,416	199	17	216	1,560,415
North Dakota	86	3	89	866,085	101	2	103	852,379
Ohio	37	3	40	198,580	48	3	51	338,369
Oklahoma	91	5	96	516,322	138	9	147	893,183
Oregon	26	3	29	229,395	59	5	64	524,360
Pennsylvania	45	5	50	279,307	63	5	68	390,058
Rhode Island	0	0	0	0	1	0	1	3,100
South Carolina	73	6	79	488,049	114	10	124	1,013,077
South Dakota	18	1	19	157,479	38	6	44	311,383
Tennessee	180	8	188	1,038,337	245	12	257	1,584,567
Texas	107	6	113	846,900	207	11	218	1,822,861
Utah	46	5	51	355,756	65	6	71	648,951
Vermont	3	0	3	33,600	4	0	4	16,725
Virginia	33	2	35	298,140	28	2	30	201,444
Washington	36	0	36	329,773	93	5	98	802,488
West Virginia	31	7	38	216,354	73	8	81	617,773
Wisconsin	57	2	59	318,932	132	11	143	958,440
Wyoming	25	1	26	249,792	32	2	34	260,095
Puerto Rico	58	0	58	371,478	77	1	78	419,609
Virgin Islands	1	1	2	14,000	1	0	1	10,500

Source: Farmers Home Administration, USDA.

Rural housing loans made during 1959 and 1960 fiscal years

State	1959 fiscal year				1960 fiscal year			
	Number			Total amount	Number			Total amount
	Initial (1)	Subsequent (2)	Total (3)		Initial (5)	Subsequent (6)	Total (7)	
U.S. total.....	7,589	496	8,085	\$59,885,594	4,904	383	5,287	\$40,282,161
Alabama.....	508	23	531	4,007,224	304	17	321	2,545,267
Alaska.....	3	0	3	12,720	4	0	4	39,620
Arizona.....	13	0	13	214,608	7	0	7	73,844
Arkansas.....	352	18	370	1,812,443	280	24	304	1,792,544
California.....	104	9	113	1,128,902	73	10	83	894,045
Colorado.....	25	0	25	238,353	22	2	24	218,334
Connecticut.....	5	0	5	33,430	2	0	2	8,800
Delaware.....	0	0	0	0	2	0	2	6,800
Florida.....	405	19	424	3,987,495	173	18	191	1,850,031
Georgia.....	455	37	492	3,234,153	253	25	278	1,797,312
Hawaii.....	14	3	17	163,390	16	0	16	189,000
Idaho.....	75	5	80	673,141	70	5	75	642,876
Illinois.....	50	8	58	332,375	37	3	40	246,471
Indiana.....	60	4	64	513,348	34	1	35	285,531
Iowa.....	152	7	159	1,150,034	99	5	104	820,132
Kansas.....	89	0	89	618,590	80	0	80	600,325
Kentucky.....	176	14	190	1,387,659	150	10	160	1,215,178
Louisiana.....	185	12	197	1,498,566	91	2	93	705,967
Maine.....	121	30	151	1,086,919	74	38	112	767,264
Maryland.....	33	4	37	374,444	11	4	15	114,160
Massachusetts.....	9	2	11	96,738	3	0	3	35,629
Michigan.....	124	16	140	961,698	113	9	122	961,048
Minnesota.....	142	5	147	888,855	85	5	90	556,828
Mississippi.....	720	42	762	4,599,567	497	26	523	3,178,642
Missouri.....	387	31	420	2,470,597	256	24	280	1,577,336
Montana.....	91	3	94	820,410	54	4	58	605,000
Nebraska.....	56	5	61	420,670	42	0	42	342,687
Nevada.....	4	0	4	34,400	4	0	4	39,640
New Hampshire.....	3	0	3	11,900	1	0	1	850
New Jersey.....	24	3	27	264,962	14	1	15	166,050
New Mexico.....	41	8	49	442,508	24	1	25	231,376
New York.....	48	6	54	394,710	39	3	42	306,841
North Carolina.....	244	20	264	2,096,641	162	10	172	1,582,383
North Dakota.....	161	6	167	1,520,688	106	4	110	1,120,463
Ohio.....	84	3	87	617,272	51	4	55	455,044
Oklahoma.....	276	14	290	2,100,041	231	14	245	1,874,368
Oregon.....	91	4	95	813,819	52	5	57	419,306
Pennsylvania.....	67	9	76	455,656	64	13	77	473,544
Rhode Island.....	2	0	2	6,420	0	0	0	0
South Carolina.....	312	9	321	2,855,019	172	14	186	1,647,172
South Dakota.....	111	10	121	982,343	83	11	94	717,538
Tennessee.....	403	24	427	3,093,071	283	18	301	2,338,635
Texas.....	537	25	562	4,823,321	235	6	241	2,184,216
Utah.....	117	13	130	1,220,430	103	8	111	1,152,484
Vermont.....	8	0	8	49,350	2	1	3	14,625
Virginia.....	76	5	81	701,180	48	3	51	465,332
Washington.....	125	11	136	1,170,110	98	13	111	958,023
West Virginia.....	157	8	165	1,228,633	62	3	65	503,508
Wisconsin.....	167	10	177	1,237,562	142	9	151	1,038,157
Wyoming.....	47	0	47	369,211	23	2	25	187,464
Puerto Rico.....	128	3	131	646,618	63	2	65	334,466
Virgin Islands.....	2	0	2	23,400	0	0	0	0

Source: Farmers Home Administration, USDA.

Rural housing loans made during 1961 and 1962 fiscal years

State	1961 fiscal year				1962 fiscal year			
	Number			Total amount	Number			Total amount
	Initial (1)	Subsequent (2)	Total (3)		Initial (5)	Subsequent (6)	Total (7)	
U.S. total.....	8,032	728	8,760	\$68,999,418	10,706	641	11,347	\$96,375,952
Alabama.....	653	54	707	5,721,969	706	21	727	6,384,214
Alaska.....	0	1	1	79,600	46	0	46	778,116
Arizona.....	15	1	16	222,044	38	0	38	445,440
Arkansas.....	408	52	460	2,619,409	461	24	485	3,104,273
California.....	83	8	91	1,007,181	115	12	127	1,535,016
Colorado.....	39	3	42	341,687	127	13	140	1,369,947
Connecticut.....	5	1	6	37,208	13	0	13	137,377
Delaware.....	9	0	9	56,000	14	0	14	153,900
Florida.....	252	22	274	2,459,901	331	15	346	3,308,204
Georgia.....	456	54	510	3,546,343	601	25	626	5,172,368
Hawaii.....	29	6	35	396,220	55	5	60	696,840
Idaho.....	83	13	96	836,955	140	7	147	1,384,222
Illinois.....	71	6	77	603,726	87	8	95	849,672
Indiana.....	90	9	99	757,596	145	7	152	1,426,977
Iowa.....	149	7	156	1,409,795	199	14	213	1,896,585
Kansas.....	141	8	149	1,070,330	198	13	211	1,771,631
Kentucky.....	189	17	206	1,624,400	200	8	208	1,900,021
Louisiana.....	166	7	173	1,478,296	183	17	200	1,669,718
Maine.....	142	40	182	1,504,071	214	47	261	1,302,390
Maryland.....	48	11	59	594,347	70	3	73	799,000
Massachusetts.....	8	2	10	57,748	4	1	5	23,605
Michigan.....	178	17	195	1,786,029	205	21	226	2,098,302
Minnesota.....	162	10	172	1,187,791	226	8	234	1,600,064
Mississippi.....	656	41	697	4,570,816	772	53	825	5,899,527
Missouri.....	365	47	412	2,731,901	557	48	605	4,483,212

Rural housing loans made during 1961 and 1962 fiscal years—Continued

State	1961 fiscal year				1962 fiscal year			
	Number			Total amount	Number			Total amount
	Initial (1)	Subsequent (2)	Total (3)		Initial (5)	Subsequent (6)	Total (7)	
Montana.....	119	5	124	01, 152, 873	145	11	156	\$1, 287, 940
Nebraska.....	50	4	60	421, 520	79	1	80	609, 618
Nevada.....	4	0	4	47, 756	11	0	11	114, 221
New Hampshire.....	4	3	7	40, 970	25	1	26	185, 015
New Jersey.....	24	3	27	215, 428	106	5	111	988, 744
New Mexico.....	42	1	43	396, 276	93	3	96	754, 382
New York.....	73	7	80	650, 260	106	7	113	925, 801
North Carolina.....	401	35	436	3, 770, 106	604	18	622	5, 986, 178
North Dakota.....	185	9	194	1, 879, 117	228	16	244	2, 297, 538
Ohio.....	72	9	81	630, 081	106	10	116	1, 029, 397
Oklahoma.....	336	18	354	2, 716, 911	346	17	363	3, 154, 627
Oregon.....	76	16	92	688, 270	95	7	102	870, 772
Pennsylvania.....	135	27	162	1, 112, 429	126	21	147	1, 175, 031
Rhode Island.....	1	0	1	5, 101	1	0	1	7, 239
South Carolina.....	317	22	339	2, 990, 253	362	18	380	3, 508, 626
South Dakota.....	109	15	124	971, 819	184	18	202	1, 558, 222
Tennessee.....	511	3	544	4, 563, 530	614	37	651	5, 683, 084
Texas.....	318	13	318	2, 650, 161	483	12	495	4, 764, 899
Utah.....	115	10	125	1, 317, 364	164	9	173	2, 005, 798
Vermont.....	19	1	20	188, 520	6	0	6	41, 880
Virginia.....	101	7	108	919, 621	181	5	186	1, 749, 300
Washington.....	124	11	135	1, 224, 346	161	26	187	1, 619, 123
West Virginia.....	9	9	99	714, 681	163	3	166	1, 497, 425
Wisconsin.....	233	23	256	1, 962, 013	278	22	300	2, 067, 002
Wyoming.....	22	1	23	217, 480	67	1	68	637, 157
Puerto Rico.....	154	9	163	843, 966	243	7	250	1, 306, 312
Virgin Islands.....	1	0	1	7, 200	22	0	22	280, 000

Source: Farmers Home Administration, USDA.

Rural housing loans made during 1963 fiscal year through May 31 and cumulative from beginning of program in 1950 through May 31, 1963

State	1963 fiscal year through May 31				Cumulative through May 31, 1963 ¹			
	Number			Total amount	Number			Total amount
	Initial (1)	Subsequent (2)	Total (3)		Initial (5)	Subsequent (6)	Total (7)	
U.S. total.....	18, 661	675	19, 336	\$181, 750, 010	76, 949	4, 156	81, 105	\$601, 505, 471
Alabama.....	1, 266	26	1, 292	12, 189, 325	5, 028	192	5, 220	40, 259, 003
Alaska.....	53	7	60	889, 855	116	8	124	1, 809, 691
Arizona.....	57	0	57	695, 054	255	3	258	2, 658, 944
Arkansas.....	900	36	936	6, 922, 983	3, 720	230	3, 950	21, 123, 479
California.....	131	6	137	1, 682, 596	1, 121	60	1, 187	10, 650, 864
Colorado.....	187	20	207	2, 047, 935	643	48	691	5, 675, 238
Connecticut.....	11	3	14	134, 720	74	5	79	525, 767
Delaware.....	18	0	18	208, 555	54	1	55	490, 570
Florida.....	533	15	548	5, 543, 408	2, 493	127	2, 620	23, 181, 354
Georgia.....	1, 198	32	1, 230	11, 920, 767	4, 654	276	4, 930	34, 729, 173
Hawaii.....	104	3	107	1, 197, 700	355	24	379	3, 813, 409
Idaho.....	187	8	195	2, 275, 902	994	62	1, 056	8, 890, 801
Illinois.....	216	9	225	2, 403, 815	913	83	996	6, 424, 841
Indiana.....	188	2	190	2, 304, 014	895	50	945	7, 324, 887
Iowa.....	332	8	340	3, 727, 415	1, 408	58	1, 466	11, 414, 379
Kansas.....	311	15	326	2, 908, 025	1, 181	63	1, 244	8, 946, 883
Kentucky.....	521	15	536	5, 604, 436	1, 838	101	1, 939	15, 239, 702
Louisiana.....	467	8	475	4, 331, 787	2, 023	78	2, 101	15, 136, 132
Maine.....	322	47	369	1, 914, 681	1, 329	255	1, 584	9, 100, 323
Maryland.....	136	1	137	1, 587, 950	508	53	543	4, 857, 083
Massachusetts.....	16	1	17	72, 127	70	1	76	450, 555
Michigan.....	272	15	287	3, 175, 700	1, 478	121	1, 599	12, 193, 600
Minnesota.....	451	17	468	3, 946, 272	1, 520	54	1, 574	10, 376, 698
Mississippi.....	1, 442	48	1, 490	12, 615, 622	6, 183	278	6, 461	40, 781, 174
Missouri.....	789	37	826	7, 582, 071	3, 745	237	3, 982	24, 728, 845
Montana.....	139	7	146	1, 344, 460	805	43	848	6, 914, 604
Nebraska.....	184	6	190	1, 679, 929	832	25	857	5, 548, 265
Nevada.....	16	0	16	174, 295	69	3	72	634, 403
New Hampshire.....	40	1	41	347, 650	96	5	101	678, 444
New Jersey.....	146	8	154	1, 457, 212	510	27	537	4, 231, 745
New Mexico.....	127	7	134	1, 119, 636	616	34	650	4, 722, 939
New York.....	144	2	146	1, 514, 286	637	36	673	5, 084, 734
North Carolina.....	1, 566	23	1, 589	15, 949, 006	4, 094	151	4, 245	36, 527, 806
North Dakota.....	346	12	358	3, 816, 176	1, 416	55	1, 471	13, 659, 612
Ohio.....	139	10	149	1, 456, 440	743	51	794	5, 705, 982
Oklahoma.....	516	9	525	5, 170, 637	2, 931	132	3, 063	21, 532, 206
Oregon.....	72	13	105	1, 002, 100	700	57	757	5, 910, 016
Pennsylvania.....	127	24	151	1, 326, 733	998	119	1, 117	6, 852, 456
Rhode Island.....	1	0	1	2, 600	8	0	8	30, 030
South Carolina.....	688	18	706	6, 947, 721	2, 691	111	2, 802	23, 360, 971
South Dakota.....	271	25	296	2, 199, 432	1, 050	83	1, 133	8, 161, 047
Tennessee.....	1, 211	29	1, 240	11, 420, 892	4, 077	172	4, 249	33, 010, 925
Texas.....	841	12	853	8, 715, 158	3, 903	106	4, 009	32, 743, 740
Utah.....	248	1	257	3, 162, 366	1, 132	75	1, 207	11, 589, 780
Vermont.....	11	3	14	87, 250	71	7	78	503, 325
Virginia.....	340	7	347	3, 396, 311	1, 163	72	1, 235	10, 050, 387
Washington.....	168	16	184	1, 935, 439	1, 021	95	1, 116	9, 519, 507
West Virginia.....	284	7	291	2, 856, 234	1, 123	10	1, 192	9, 341, 950
Wisconsin.....	313	34	347	2, 838, 677	1, 630	131	1, 761	11, 862, 707
Wyoming.....	90	6	96	998, 890	451	28	479	3, 771, 534
Puerto Rico.....	473	8	481	2, 529, 365	1, 507	27	1, 534	7, 926, 143
Virgin Islands.....	2	0	2	418, 500	77	1	78	846, 818

¹ In addition, 8 insured farm labor housing loans for \$254,510 were made in 1962 and 1963; and 2 insured rental housing loans for \$117,000 were made in 1963.

Source: Farmers Home Administration, USDA.

Mr. SPARKMAN. Mr. President, during the discussion of the farm housing program yesterday, a question was asked as to whether rural housing loans under the title V program were made in the areas of subdivisions, towns, and cities. This question was propounded by the senior Senator from Colorado [Mr. ALLOTT] and appears on page 17099 of yesterday's RECORD. I should like to clarify the RECORD on this point.

The Housing Act of 1961 broadened the program to the extent of enabling the Farmers Home Administration to make loans to people who are not farmers so long as they meet the other eligibility requirements and live in rural areas.

The Farmers Home Administration has interpreted rural areas to include the open country that exists among farms and to include country villages that have a population of not more than 2,500. The 2,500 level is the level the census has set to distinguish rural communities from communities that are not rural.

The Farmers Home Administration does not make loans to people to build homes in subdivisions near cities. The Farmers Home Administration does not consider such subdivisions to be rural areas.

In 1962, the title V farm housing program was again amended to help provide housing for elderly people in rural areas. Under the 1962 amendments, the Farmers Home Administration may:

First. Make loans to elderly persons—those who are 62 years of age or older—for the purchase of existing homes or the construction, improvement, alteration or repair of dwellings and related facilities in rural areas for their own use.

Second. Make loans to private non-profit corporations and consumer co-operatives to provide housing and related facilities for elderly persons and families in rural nonfarm areas.

Third. Insure loans made by private lenders to individuals, corporations, trusts or partnerships providing rental housing and related facilities to elderly persons on farms and in nonfarm rural areas.

The 1962 amendments increased the existing loan fund by \$50 million. This additional amount was especially earmarked for loans to elderly persons. The 1962 amendments also established a \$50 million revolving fund for making loans to nonprofit corporations and consumer co-operatives.

In addition, proper authority was provided the Farmers Home Administration to utilize the agriculture credit insurance fund established under sections 308 and 309 of the Consolidated Farmers Home Administration Act of 1961 to insure elderly persons rental housing in farm and nonfarm rural areas.

Mr. President, my remarks thus far have dealt in general with the chronological development of the title V rural housing program.

The need for the rural housing today is just as great as it was in 1949 when the title V program was first established.

Let me make the record clear.

I believe in the private enterprise system as much as any Senator in this

body. At the same time, I believe that farmers and rural nonfarm families have just as much right to have decent housing as any group in this Nation.

I have often stated during my tenure in the Congress that if private enterprise will provide for the housing needs of certain groups of our people—the low and middle income groups, veterans living in remote and rural areas, the low income elderly in both rural and urban areas, farmers and rural nonfarm families—I would be one of the first to advocate an end to the Federal programs which have been established to care for these needs. To date, no effective solution has been offered by private enterprise.

Perhaps the title V housing program is an excellent example to use in order to show the reluctance of lenders to enter into mortgages for these specific groups. It is the policy of the Farmers Home Administration to require that any applicant for a title V housing loan show that he is unable to secure credit from other sources before the applicant's loan application can be considered. This, of course, requires the potential borrower to contact local lending institutions in order to determine whether credit will be made available to him. In some cases, his credit is approved and he obtains a conventional mortgage loan, but it is clearly seen, I believe, from the number of loans already made and the number of applicants still awaiting a title V loan that the vast majority of farmers and rural nonfarm families cannot obtain mortgage financing through conventional private sources.

There are some who argue "why title V housing loans?" Why not use the insured loans as provided by the Consolidated Farmers Home Administration of 1961 or some other insurance program that would parallel the Federal Housing Administration insurance programs.

First, under the title V loan program, all rural people, whether farmers or otherwise, if they own the property on which the housing is to be constructed, are potential borrowers. By contrast, the Consolidated Farmers Home Administration Act of 1961 specifically limits loans to persons who first, are citizens of the United States; second, have a farm background and either training or farming experience which the Secretary determines is sufficient to assure reasonable prospects of success in the proposed farming operations; third, are or will become owner-operators of not larger than family farms; and fourth, are unable to obtain sufficient credit elsewhere to finance their actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms, in the community in or near which the applicant resides, for loans for similar purposes and periods of time.

Thus, those who suggest that the insurance program under the Consolidated Farmers Home Administration Act should replace the title V program would preclude all rural nonfarm families from obtaining decent housing.

Second, to those who suggest supplanting the Title V loan program with a mortgage insurance program, I urge

them to review the reasons why the Federal Housing Administration has consistently refused to insure mortgages secured by housing located on farms and in rural areas. I also urge them to review the reasons why the majority of private lenders have consistently refused to make mortgage loans in these areas.

Anyone who even casually studies the mortgage market will immediately find that little, if any, mortgage credit flows into rural areas regardless of the overall supply of mortgage money. Anyone who casually studies national income levels, will immediately find that rural incomes are notoriously low, and rural people cannot afford to pay the price needed to attract private capital into the rural areas.

Everyone knows that mortgage insurance programs depend upon the investment of private capital to make them workable, and even though Federal insurance would remove a substantial portion of the risk involved, private capital would still demand a higher return than rural people can pay.

To prove these points, one need look no further than the Federal Housing Administration's section 203(i) program which was established specifically to help finance housing in rural areas. Even though special provisions have, from time to time, been written into this section in an attempt to make it workable, it has never been successful in supplying housing for farm families or for other rural families on scattered sites.

Mr. President, as I stated earlier to the senior Senator from Florida [Mr. HOLLAND], there are few Federal programs that have as enviable a repayment record as does the title V loan program. Since the establishment of this program in 1949, some 77,500 loans, aggregating in excess of \$606.5 million, have been made to our farmers and rural families. As of December 31, 1962, some 13,699, or 19.5 percent, of the borrowers had satisfied their accounts in full. The total principal writeoffs and judgments outstanding on the same date amounted to less than \$99,500. Thus represents less than two one-hundredths of 1 percent of the cumulative amount loaned.

This fine record is very gratifying to those of us who have supported the title V loan program over the years and, indeed, it proves the confidence we placed in the farmers and rural people of this Nation. Certainly this is a remarkable record for any group of borrowers, but it becomes especially significant considering the fact that these families were unable to obtain credit from other sources.

The vast bulk of the funds to date, some \$606.5 million, have been loaned to individuals to build, remodel or repair their homes. The scope of this phase of the program was increased tremendously when the 1961 Housing Act made rural nonfarm residents, as well as farmers, eligible to participate in the program. About 70 percent of the loans made this past year were to rural nonfarm residents.

The homes built with these loans are modest in size, design, and cost. They customarily have three bedrooms, are equipped with modern kitchen and bath-

room facilities. They average about 1,200 square feet of living space and cost about \$11,000.

Although the primary benefits of expenditures for housing accrue to the families who receive the loans, the secondary economic benefits for expenditures for housing materials and labor have been significant and widespread.

The Department of Agriculture estimates that the more than \$606 million advanced to date has resulted in 166,000 man-years of employment and a total economic impact of about \$3.6 billion. About one-third of this employment has been direct on-the-site employment for carpenters, bricklayers, plumbers, painters, and other construction workers; one-third has been employment in the local community to suppliers of such building materials as concrete, masonry, plaster, paint, and home furnishings; and about one-third has been employment in the more remote areas which produce building materials.

Or, stated differently, this program has provided approximately 52,000 man-years of employment directly involved in the construction of homes; required 800 million board feet of lumber; provided a market for \$107 million worth of plumbing, heating, electrical materials and equipment; \$160 million worth of other construction items such as concrete, masonry, millwork, plaster, and paint; and at least \$37 million worth of home furnishings.

Since the rural housing program operates in areas where families are in low and moderate income levels and the opportunity to save is relatively low, the economic effect of the more than \$606 million spent for housing has probably been multiplied six or seven times.

Although the rural housing program for our senior citizens is relatively new—the first loan being made last November—some 544 loans aggregating in excess of \$3.3 million have been made since enactment of the program September 28, 1962.

In addition, during fiscal year 1963, more than 1,378 destitute families received grant assistance totaling \$1,029,655 to make improvements to their housing urgently needed to remove hazards to their health and safety. I might add that this type of assistance goes primarily to elderly couples.

The first loans for the construction of rental housing for senior citizens in rural areas were closed in fiscal 1963. One of these loans provided \$100,000 for the construction of 20 apartments in Ocean County, N.J. Another made available \$17,000 for four apartments in Clark County, Mo.

Currently seven more dockets for rental housing in North Dakota, Kentucky, California, Arizona, and New York are being reviewed by the Farmers Home Administration.

The farm labor housing program is also gaining momentum. To date insured farm labor housing loans totaling \$274,000 have been made in Florida, New Jersey, North Dakota, Washington, Wisconsin, and Idaho. Currently five dock-

ets for approximately \$1,500,000 are being processed by the Farmers Home Administration.

Rural housing loans mean many things to many people. For example, to Mr. and Mrs. C. H. Montgomery, both 64, of Attalla, Ala., the Nation's first title V loan under the senior citizens program, it meant comfort they had not enjoyed for years. A \$6,210 title V loan made it possible for Mr. Montgomery, a retired steel construction worker, and his wife to move from their former 100-year-old residence—part of an old country post-office—into a modern, 24- by 48-foot structure with water and electrical systems. Their former home was in such condition that further repairs were no longer practical. Their new house includes a combined kitchen and family room, two bedrooms, bath, living room, and carport with storage area.

To Clarence Sprinkle, a Jackson, N.J., businessman, a \$100,000 title V insured loan made it possible for him to construct a 20-unit rental housing apartment for retired farmers and rural residents in Jackson Township, Ocean County, N.J. Here more than 15 percent of the residents are over 65 years of age.

To the 75-member Gem County, Idaho, Cooperative Labor Council a \$50,000 farm labor housing loan helped improve living conditions for badly needed migratory workers who harvest the area's fruit and vegetable crops.

To the Dennis F. Thompsons, Gray, Ga., a rural housing loan meant needed repair of their house after a car's brakes failed to hold a hill and sent the vehicle crashing into the side of the house. Loan funds also covered renovation of the Thompson's home so they could add a new bedroom and bathroom upstairs and enlarge their house to fill the needs of a growing rural family.

To the rural Mio community in northern Michigan, nearly \$150,000 in rural housing money not only solved the housing problem for 12 families, but also provided work for at least six different contractors and their work force.

And there are literally thousands of other cases where individual and community rural housing needs were met by the expanded title V program.

During fiscal year 1963, applications for rural housing loans under the title V program were received at the rate of 3,000 per month. On the assumption that this rate of applications will continue during fiscal 1964, it would require some \$400 million to carry the program through fiscal 1964. This is the amount recommended by the President in his budget message to the Congress this year.

On July 1, 1963, the unused balance in the farm housing loan authorization was \$148 million. At the same time, there were some 16,005 pending applications for loans under the program.

Mr. President, I ask unanimous consent to place in the RECORD at this point in my remarks a table showing the number of rural loan applications by States.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Rural housing applications on hand as of June 30, 1963

Alabama.....	988
Alaska.....	79
Arizona.....	47
Arkansas.....	890
California.....	118
Colorado.....	155
Connecticut.....	9
Delaware.....	22
Florida.....	381
Georgia.....	981
Hawaii.....	58
Idaho.....	183
Illinois.....	125
Indiana.....	184
Iowa.....	294
Kansas.....	209
Kentucky.....	432
Louisiana.....	401
Maine.....	214
Maryland.....	159
Massachusetts.....	17
Michigan.....	236
Minnesota.....	438
Mississippi.....	1,091
Missouri.....	637
Montana.....	124
Nebraska.....	149
Nevada.....	36
New Hampshire.....	27
New Jersey.....	58
New Mexico.....	110
New York.....	221
North Carolina.....	1,215
North Dakota.....	497
Ohio.....	168
Oklahoma.....	509
Oregon.....	53
Pennsylvania.....	181
Rhode Island.....	1
South Carolina.....	563
South Dakota.....	221
Tennessee.....	630
Texas.....	899
Utah.....	217
Vermont.....	24
Virginia.....	305
Washington.....	110
West Virginia.....	373
Washington.....	292
Wyoming.....	60
Puerto Rico.....	564
Virgin Islands.....	50

Total..... 16,005

Source: Farmers Home Administration, USDA.

Mr. SPARKMAN. Mr. President, it is obvious that the funds presently available for the title V program are entirely inadequate to take care of the housing needs of our rural families. It is obvious, too, that if we are to continue this program additional funds must be provided.

Of course, it is assumed that all of the existing authorization, as well as the amount by which it may be increased, will be released by the Bureau of the Budget to the Farmers Home Administration to meet the need of applications as they are received.

In this connection, I repeat the point I made in yesterday's discussion of this program. There is nothing in the 1961 Housing Act—nor was it congressional intent—requiring the farm housing loan authorization to be spread over a 4-year period and I am hopeful that the Bu-

reau will correct its position in regard to this matter.

There is no doubt that the title V rural housing loan program should continue to have the support of Congress. I certainly will continue to work for it.

Mr. STENNIS. Mr. President, I wish to commend the Senator from Alabama [Mr. SPARKMAN] for the very fine recitation he has made here on the rural housing program.

One of the most significant and beneficial programs of the Federal Government ever adopted began in 1949 with the institution of the rural housing program of the Farmers Home Administration. Since that time, over \$606 million has been loaned to help improve the housing conditions of some 77,500 farmers and rural residents of this Nation. These loans are made to finance the construction or improvement of dwellings and farm service buildings that are modest in size, design, and cost. They are made on farms, in open country, and in small country towns and villages with populations of not more than 2,500 that are not near to, or closely associated, with an urban area; and only families who cannot obtain adequate financing from other sources are eligible for these loans.

The availability of these loans is necessary, Mr. President, because of the low income of many families in our rural areas and the lack of adequate commercial housing credit at reasonable rates and terms in many of these areas. These conditions have been reflected in the fact that the quality of rural housing historically has been inferior to that of urban housing. Of the 3.5 million homes on farms and the 14 million nonfarm rural homes, 20 percent need major repairs and 8.5 percent are in such a dilapidated condition that they endanger the health, safety, and wellbeing of the families. This is a condition which we cannot allow to continue, Mr. President.

Before analyzing the history and success of this program, it should first be emphasized that this is not a program of grants or giveaways by the Federal Government; this is a loan program under which every dollar advanced carries with it an obligation of repayment with interest at the rate of 4 percent per annum. The economic soundness of these loans is proven by an examination of the repayment record. As of December 31, 1962, 13,699, or 19.5 percent, of the borrowers had satisfied their indebtedness in full. The total principal writeoffs and judgments outstanding as of that date amounted to only \$99,494; this represents less than two one-hundredths of 1 percent of the cumulative amount loaned since the inception of the program in 1949. In my own State of Mississippi, not a single penny has ever been lost on any of the loans.

Although the primary benefits of this program for housing accrue to the families who receive the loans, the secondary economic benefits for expenditures for housing materials and labor have been significant and widespread. It is estimated, for example, that the more than \$606 million advanced to date has resulted in 166,000 man-years of employment

and a total economic impact of about \$3.6 billion. The value of this stimulation in many of our economically depressed rural areas cannot be overlooked.

I think these statistics graphically illustrate, Mr. President, the significance of this program since it was instituted in 1949. But what is the present need for rural housing funds, and what is the present status of available funds? Let me present the need for these funds by first citing a few facts with reference to the program in Mississippi. During the month of August, the Bureau of the Budget released \$30 million for use in the Nation during the first quarter of fiscal year 1964. Of this amount, Mississippi received an allotment of \$1,700,000; but at that time the State director had received loan dockets totaling \$2,700,000. In addition, there were an undetermined number of dockets in the county offices which were ready for approval, and for which all the preliminary work had been done. There was also a minimum of 150 applications on which no work had been done. To summarize the situation in my State, I am advised by the director that a minimum of \$2 million a month could be used in Mississippi for an indefinite period of time. Viewed nationally, 16,005 applications were on hand as of June 30, 1963; and new applications are being received at the rate of almost 4,000 a month.

A total of \$183,031,156 was loaned during the fiscal year 1963; but because of the tremendous need for this program and its outstanding success over the years, the President, in his budget message to Congress, anticipated that the need for these funds would reach a level of \$400 million annually. He recommended legislation to establish an insured loan program in order to carry out this increased activity; but it is apparent, Mr. President, that during this session of Congress no action will be taken on this recommendation.

Under the provisions of title V of the National Housing Act of 1949, as amended, the Secretary of Agriculture is authorized to borrow from the Treasury, in order to carry out this program. At the beginning of the current fiscal year, however, there remained only approximately \$148 million in this authorization, which expires at the end of fiscal year 1965.

It is therefore necessary, Mr. President, that this Congress take action if this program is to continue during the current year at a level at least approximating the total amount of funds advanced during the fiscal year 1963.

Because of my deep interest in this program and my firsthand knowledge of what it has meant to the rural areas of the Nation, I offered an amendment, during committee consideration of the agricultural appropriations bill, to increase the existing borrowing authorization of the Secretary by the sum of \$25 billion. This would provide a total of approximately \$175 million for use in this activity of the Farmers Home Administration. The committee approved this amendment, Mr. President, and stated in its report:

This additional amount, together with approximately \$150 million carried forward into fiscal 1964, will only provide about one-

half of the loan authorization required for this program, if it is carried out in accordance with the President's program. The committee directs the Department to utilize this new authorization, and the remaining borrowing authority as expeditiously as required to meet the demand for rural housing building loans.

Mr. President, I know the need for this type of program in many of the rural areas of our Nation. There is no question that many families are now living in substandard housing because they are unable to qualify for commercial financing. But they are ready, willing, and able to repay loans made under this program to enable them to live in modest, but suitable, homes. Experience proves this, Mr. President; and I strongly urge the approval of this program as recommended by the committee.

EQUALIZATION OF SALARIES OF EXPERIMENT STATION AND EXTENSION SERVICE WORKERS WITH SALARIES OF OTHER FEDERAL EMPLOYEES

Mr. President, two of the most valuable functions of the Department of Agriculture are those rendered, in cooperation with the various States, through the Extension Service and the Cooperative State Experiment Station Service. In my opinion, outstanding progress has been made throughout the Nation as the result of the services performed by these two agencies in association with the land-grant institutions of this country.

The employees of the Extension Service and the experiment stations are actually employed by the respective States. A portion of the salaries of these people is provided by the Federal Government, however; and I want to address myself to the importance of equalizing the salaries of these employees with those of classified civil service employees of Federal agencies, as provided by Public Law 87-793, the Pay Act passed by the Congress last year.

Testimony presented to the Senate Appropriations Subcommittee revealed that both of these agencies are experiencing difficulty in recruiting and retaining competent scientists and workers, because employees of other agencies, of comparable professional and technical rating, receive considerably more salary and greater retirement benefits. Dr. E. T. York, the former Administrator of the Extension Service, stated, for example, that in some States the salaries of county extension workers are, on the average, \$1,000 to \$1,500 below the salaries of classified civil service workers with essentially the same training, experience, and responsibility. He further stated that the Extension Service's position had "worsened considerably in this regard since the passage of the Pay Act last year." The same statement can be made with reference to the experiment station workers; and, in my opinion, Mr. President, the services of these employees are too valuable to lose.

Under the existing arrangements, the Federal Government contributes approximately 38 percent of the funds to pay the salaries of the Extension Service workers, and the States provide the remaining 62 percent. So far as the experiment station employees are concerned, the States contribute approxi-

mately \$3.50 for every dollar provided by the Federal Government. We are advised that the several States either have provided or will immediately provide the additional funds to match the Federal money. Approximately 14,500 Extension Service workers and 9,600 experiment station workers will be affected by this action.

I cannot urge too strongly, Mr. President, that the Senate take action this year to equalize the pay levels of those workers with those of Federal employees in other agencies. It is only just and right that this be done. It was promised last year, and funds for it were included in the supplemental appropriations bill; but, of course, that bill was never enacted. I sincerely hope the Senate will approve the recommendation of the Appropriations Committee, and will provide funds for the Federal share of this equalization.

COTTON RESEARCH FUNDS

Mr. President, one of the most significant items in this bill is the provision for a sharply increased, across-the-board research attack on the problems facing American agriculture. The House had included in the bill a special provision aimed at increasing the appropriation for research to reduce the cost of production of surplus commodities. This was a gratifying acknowledgment of the importance to agriculture of cost-cutting research. Of course, I was pleased that our committee saw fit to increase the amount in the bill, and that these additional funds were also available for research to reduce production costs. In my judgment, a dollar invested in a sound agricultural research program is the wisest expenditure this Government can make to improve the economic position of farmers and to reduce the cost of Government programs.

This is particularly true in the case of cotton, which contributes immeasurably to the Nation's economy. Unfortunately, cotton is losing markets daily, and under present conditions is incapable of coping with its competition in its markets. In addition, American mills are forced to pay one-third more for their cotton than do foreign mills. During the 2 years ending July 31, 1963, first, cotton has suffered a direct competitive loss to competing fibers of about 1½ million bales; second, exports have dropped from 6.6 million bales to 3.3 million bales; third, stocks of cotton on hand in the United States increased from 7.2 to 11.2 million bales; fourth, imports of cotton in the form of textiles are up from 414,000 bales to 645,000 bales; fifth, the national acreage allotment has been cut from 18.5 to 16.2 million acres; sixth, annual storage and handling charges on Government cotton have increased from about \$25 million to about \$70 million; and seventh, Government investment in cotton stocks has gone up from about \$300 million to about \$1¼ billion.

During the current season, the Department of Agriculture estimates that farmers will produce, on the minimum acreage allotment, 600,000 bales more than will be used. On next August 1, stocks will be almost 12 million bales, the largest since the record level of August 1, 1956. Obviously, we must reverse this trend.

The way to do so is to make cotton competitive in its markets.

Under present conditions, the cost of production is so high that farmers cannot take a sufficiently lower price to accomplish this objective. Testimony presented to the Appropriations Committee, and supported by the Department of Agriculture, showed that a dynamic research program can in a few years reduce the cost of growing cotton to a point where cotton can be fully competitive both at home and abroad. This can be accomplished at less cost to the Government; and, at the same time, farm income can be increased as markets expand.

Cotton is an industrial raw material. Its competition stems in large measure from products developed through research by our great chemical companies. These manmade fibers are taking away markets traditionally held by cotton. They are doing so primarily on a price basis. The only way in the long run for cotton to regain its dominant position is to get its costs down and its price competitive.

Mr. President, there can be little doubt of the value of research to agriculture. The hearing record is replete with testimony on the benefits that have been reaped by both farmers and the public from our agricultural research programs. It is because of the amazing potential service that research can render in solving many of our farm problems that the committee sharply increased the authorization for research by permitting, for this purpose, the transfer of \$35 million from the Commodity Credit Corporation.

There is much logic in this method. It seems obvious that the support of research which is intended to reduce Government costs for the cotton program is a logical and businesslike function for the CCC.

Unfortunately, in recent years, the agricultural research program, particularly that for production research, has been inadequately financed. In 1940, agriculture accounted for about 39 percent of Federal research expenditures. Today, it accounts for less than 2 percent. And even with the increase provided by the committee, it will still be under 2 percent.

Earlier, Mr. President, I mentioned the disastrous competitive position in which the U.S. raw cotton industry now finds itself. I pointed out that this situation is caused by the inability of cotton to meet its competition. And until it is made competitive, the utilization of cotton as a raw material will continue to decline. Cotton no longer occupies a monopoly position in the world fiber market, largely because the research effort in its behalf has been insufficient for it to keep pace with its competitors in the matter of costs and price.

It is vitally important to the Nation's economy that the cotton industry expand and prosper. There are more than 21 million people whose livelihood is associated with cotton. In U.S. agriculture, cotton stands as the leading cash crop. In terms of finished products, cotton has an annual average value of about \$15 billion.

As an example of cotton's place in the

economy of some big local areas, the trade territory of Memphis might be examined. This 76-county area has a population of 2½ million. Cash receipts from farm sales of cotton are more than half again larger than the total manufacturing payroll of the trade territory, including Memphis, and nearly 60 percent bigger than sales of all other crops and livestock combined.

But the importance of cotton extends beyond the borders of the States that make up the Cotton Belt. Acres devoted to growing cotton are among the most productive in the country. If these areas are forced out of cotton, they will inevitably go into the production of other crops, many of which are already in surplus. The reduction in the cotton allotment of 18 million acres to 16 million acres minimum from 1962 to 1963 has already forced acres into other crops. The implication of such a development needs no elaboration.

Finally, cotton is the largest single earner of foreign exchange among U.S. exports. Over the last 6 fiscal years, cotton exports had an average value of \$800 million, nearly a fifth of total agricultural exports. Without cotton, the Nation's deficit in balance of payments, which has been \$2 to \$2½ billion the last several years, would have been substantially worse, and a much more serious outflow of gold would have resulted. Our country is in the position of badly needing more exports. It can hardly afford to lose its biggest export commodity—cotton.

Fortunately, through research we can solve the cotton problem within a relatively short period of time. The program envisioned is designed to reduce the average cost of producing a pound of cotton lint by 11 cents. The magnitude of such a reduction can be illustrated by the fact that 11 cents is equal to one-third of the current market price of cotton. The research contemplated would be directed primarily at the major items of production costs—weeds, insects, and diseases. Other areas to be covered would include mechanization costs, improved fruiting and yield, and modernization of processing operations.

About one-half of this cost reduction would be made by straight savings in labor, chemicals, machines, and other materials used in making a cotton crop. The other one-half would come by reducing the production losses farmers now experience.

The remarkable thing about the type of research program I am describing for cotton is its cost. To do this job for cotton will cost only about \$10 million a year, which is less than 30 percent of the special research fund contained in the bill. This is less than 2 percent of the amount currently being spent by the Government on the cotton program each year. We cannot fail to take advantage of such an opportunity. Cotton today is still one of the finest, most versatile fibers in existence. Given a chance, it can compete on its own at a substantially reduced Government cost. The funds for research provided in this bill will permit a big step in the direction of that goal.

Mr. JORDAN of North Carolina. Mr. President, I wish to make a few comments about what the bill includes in the way of an appropriation of funds for research work on cotton.

Some time ago, a special cotton industry committee made a thorough study of the needs of cotton research work, and earlier this year proposed to Congress that a \$10 million crash research program be initiated.

It was generally agreed throughout the cotton industry that we must decrease the cost of producing cotton, and at the same time must improve the quality of cotton, if we are to have any hope of regaining lost markets for cotton and making the price of cotton competitive with the prices of synthetic fibers.

In recent years our export markets for cotton have dwindled; and even today the Government is paying an export subsidy on all cotton sold outside the United States. Even with the export subsidy, which is most unfair to domestic mills, we are still losing cotton markets abroad.

We are also losing to synthetic fibers, cotton markets in the United States. Unless some action is taken, we can expect the destruction of the cotton industry, as we have known it, all the way from the farm to the textile mill.

Many authorities in the field are convinced we can reduce the cost of cotton as much as 10 cents a pound, through an accelerated research program. We need very badly to increase the per-acre yield of cotton, to improve quality, and to reduce the cost of production, in order for cotton once again to become competitive.

I think we can do this through research. If we are able to reduce the cost of producing cotton by as much as 10 cents a pound, it can then stand on its own two feet, in competition with rayon and any other synthetic fiber.

I regret that neither the House committee nor the Senate committee saw fit to vote to launch a special "crash" research program for cotton; but I am glad that in the past year we have intensified our efforts in cotton research, and that there is real hope for cotton under the bill as reported by the Senate committee.

Under the Senate committee bill, a rather ambitious research program could be carried on under the provision which sets aside \$35 million for utilization research.

I think it essential that we keep this provision in the bill. So I sincerely hope the Senate will approve the committee recommendation, and that in the conference it will be possible to retain this section of the bill.

Under the utilization research section, we can begin a badly needed program which I hope in the next year or two will include the expenditure of several million dollars for work on cotton.

I think this is a modest sum indeed, in view of the very great importance of cotton to our economy and to our position as a nation in world trade.

Mr. President, I have noted that the Senate Committee on Appropriations has recommended the inclusion in the bill of certain amendments in respect to

tobacco, as adopted by the House of Representatives.

I wish to clarify these differences in respect to tobacco as between the House version of the bill and the version approved by the Senate committee; and I also wish to raise some questions about the direction in which tobacco research is going, as compared with present-day needs.

In the bill as passed by the House, an additional appropriation of \$400,000 above the President's budget was proposed for research projects in Flue-cured and burley tobacco. According to the House committee report, the \$400,000 would be equally divided between projects in North Carolina and projects in Kentucky.

The Senate committee voted to make changes on this particular point in the House version of the bill. The Senate committee version calls for the expenditure of \$50,000 above the budget recommendation, to strengthen tobacco research, with particular emphasis upon the problems of sucker control and synthetic growth regulators.

In addition, the Senate committee has recommended the assignment for agriculture research of \$35 million from Commodity Credit Corporation funds. The Senate committee's report states that, in general, this \$35 million would be used to carry out a program of utilization research as outlined in a report to Congress by the Secretary of Agriculture, in Senate Document No. 34, which has just been printed.

In this report the Secretary of Agriculture outlines a program of research which would seek to isolate and identify the various chemical components of tobacco. The Secretary recommends \$200,000 for this project.

This means that if the bill as recommended by the Senate committee is enacted into law, an additional \$250,000 over the budget recommendations will be put into tobacco research in the coming year.

There is no doubt that the sucker control work and the isolation and identification of chemical components of tobacco, which would be carried on under the provisions of the Senate committee version of the bill, would fill very urgent and immediate needs of the tobacco industry.

Quite some time ago many persons who are vitally interested in tobacco foresaw the need for a greatly accelerated research program to help meet the problem of improving quality and the problem of regaining the export markets we have been losing in recent years. As a result of the urgency of the situation, leaders in the industry presented to Congress a proposal for the establishment of a tobacco quality research laboratory which would get at the more pressing and more urgent problems facing the industry. I regret very much that neither the Senate committee nor the House committee saw fit to vote for the establishment of a special laboratory for this purpose; but I am encouraged that both committees have recognized the seriousness of the problems facing tobacco, and have made a step in the

right direction toward helping solve these problems.

I was also happy to note that the Senate committee's amendment authorizing the expenditure of \$35 million in CCC funds specifically directed the Secretary to include research work in the cost of production and other related work, as well as for utilization and new uses.

This is an essential amendment if we are to be successful in solving some of the most pressing problems in connection with tobacco and other crops. The questions of utilization, production, and quality are all closely interrelated; and the Senate committee's amendment enables the Secretary of Agriculture to carry on research projects in all three areas.

During the past 20 years, most of our research in tobacco and other crops has been concentrated on increased production and per acre yield. We have had tremendous results, with the result that American agriculture is the most productive and efficient in the world.

Therefore, I feel that it is very important that we now put new emphasis on the quality of the products we have learned how to produce in abundant quantity.

In the case of tobacco, not only must we learn more about the chemical components that make up tobacco; we must also learn what constitutes and affects quality. We must learn the effects which fertilization, irrigation, synthetic sucker controls, curing, and other cultural practices have on the quality of the leaf that is finally produced.

We must learn all of these things and must be able to identify quality factors, so farmers will not only know how to recognize and identify them, but also will know how to carry on their production practices in such ways as to produce the kind of tobacco that will result in increased markets for it.

Therefore, I am pleased that the Senate committee has voted to include in the bill language that will enable us to launch programs that embrace all aspects of increased and new uses for the crops we are now producing in abundance.

Although the committee did not use in its version of the bill the specific words "quality development," there is no doubt that it is the intent of the committee that utilization research and related work shall include work in quality development and improvement.

Mr. LAUSCHE. Mr. President, I have pending an amendment in connection with this appropriation bill. At this time, I desire to discuss the amendment.

Mr. HOLLAND. Mr. President, will the Senator from Ohio yield?

Mr. LAUSCHE. I am glad to yield.

Mr. HOLLAND. I am happy to cooperate fully with the distinguished Senator, except for the fact that I wish him to know, as I believe he already does, that when he has completed the full debate on the amendment, I expect to make a point of order, as I believe I should. Furthermore, I shall state that I believe this is an unfavorable time for the adoption of such an amendment.

However, I am sure the amendment is well worthy of discussion; and I certainly desire the Senator to have all the time he wishes to discuss it to the fullest possible extent.

Mr. LAUSCHE. I appreciate the Senator's courtesy.

The PRESIDING OFFICER. Does the Senator from Ohio wish to call up his amendment now?

Mr. LAUSCHE. No, Mr. President, I do not. Subsequently I shall ask that my amendment be called up for consideration. I hope unanimous consent will be given for that purpose. However, the Senator from Florida has already stated that, on the basis of past practices, he will object.

Then, of course, under the authority I have—based upon the fact that I have filed in advance written notice that I shall request the consideration of an amendment which contemplates a change in the substantive law—I shall ask for a vote on the question of the suspension of paragraph 4 of rule XVI, so that my amendment may be considered; and on that question I shall request a yea-and-nay vote. I am so notifying the officials of the Senate, so they may notify Senators of what I propose to do.

Mr. HOLLAND. I should like the Senator from Ohio to understand that I shall join him in his request for a yea-and-nay vote, and I shall expedite in any way I can his presentation of his argument upon his amendment, which I know will be an excellent one. However, as chairman of this subcommittee of the Appropriations Committee, after he submits his amendment and after he has concluded his argument thereon, I wish to follow what is the unfailing precedent in connection with this matter.

Mr. LAUSCHE. Mr. President, my amendment contemplates changing the law in order that the interest rate charged by the Rural Electrification Administration will be raised from the present level of 2 percent to a new level of 3 percent. After the presentation of my argument in support of this proposal, I shall discuss, first, the history and the development of the REA within our country.

Second, I shall discuss the interest rates charged when the REA was adopted, and the interest rates charged at the present time which equal to 3 percent.

Third, I shall attempt to point out the impropriety and the unjustifiable action of the Federal Government in borrowing money at an interest rate of 4 percent, and then loaning that money to semi-commercial enterprises at a rate of interest of 2 percent.

Fourth, I shall seek to point out the great disparity between the tax rate paid by rural electric cooperatives and the tax rate paid by the commercial power companies.

Fifth, I shall seek to establish the fact that the low interest rates charged and the tax dispensations given transfer to the general taxpayers a load they should not be required to bear.

Sixth, I shall point out, and try to establish, that this program of borrowing money at 4 percent and loaning it at

2 percent, and then charging private power companies a tax rate that compels them to pay 25 percent of their revenues in the form of taxes, while the rural electrics pay 3 percent, is not justified and constitutes a subsidy that is antithetical to the very purposes of our Government and our free economy.

The Rural Electrification Administration was established in 1935 by Executive order signed by President Roosevelt on May 11; \$75,000 was authorized to be allocated, from an emergency relief appropriation of the RFC, to carry out the general program of relief of the unemployed.

On May 20, 1936, Congress enacted the Rural Electrification Act, providing for a limited tenure program of rural electrification. The act established the REA as an independent lending agency, and loan funds were authorized to be secured from the Reconstruction Finance Corporation.

In 1944 the Department of Agriculture Organic Act was passed. It established a flat rate of 2 percent on unmatured and unpaid balances of REA borrowers. At that time the Treasury Department was paying 2½ percent interest on the moneys which it borrowed.

Mr. DOUGLAS. Mr. President, I do not wish to interrupt my good friend from Ohio, who is completely sincere, and partially accurate in what he is saying. The 2½ percent was the long-time interest rate at that time. Is that not true?

Mr. LAUSCHE. That is correct.

Mr. DOUGLAS. Is it not true that the short-term interest rate was only a fraction of 1 percent?

Mr. LAUSCHE. I cannot answer that question, but I have before me a tabulation showing the interest rates paid by the Federal Government on its long-term loans throughout the period. We charged an interest rate of 3 percent to REA borrowers. At the same time we were borrowing money at 2.77 percent.

Mr. DOUGLAS. That is correct.

Mr. LAUSCHE. At that time we were getting .23 cents more on a dollar on the money loaned than we had to pay on the money borrowed.

Mr. DOUGLAS. That is correct.

Mr. LAUSCHE. In 1937 we charged 2.77 percent, while we were borrowing at 2.88 percent.

In 1938 we charged 2.88 percent and borrowed at 2.73 percent.

In 1939 we charged 2.73 percent and borrowed at 2.69 percent.

In 1940 we charged 2.69 percent and borrowed at 2.46 percent.

At this time I should like to point out that the rate under which we borrowed in 1 year we charged in the second year, and if in the second year we borrowed at a lower rate than we did in the first year, we then charged in the third year the rate that we paid in the second year.

I now come down to the year 1941. We loaned at 2.46 percent and borrowed at 2.48 percent.

In 1942 we loaned at 2.48 percent and borrowed at 2.57 percent.

In 1943 we loaned at 2.57 percent and borrowed at 2.67 percent. That procedure continued until 1945, when the flat rate of 2 percent was fixed. The state-

ment of the Senator from Illinois is correct in that those percentages were related to long-term borrowing.

Mr. DOUGLAS. Mr. President, will the Senator yield further?

Mr. LAUSCHE. I would appreciate it if the Senator would permit me to finish my statement at this time.

Obviously the reason for the differential in the interest rate charged the REA borrowers as compared to the rate the Treasury was paying was intended to lend encouragement for the establishment of new REA units and the building of additional lines to serve the rural population. This plan was successful, for according to a tabulation to which I shall refer later, 1944 marked the beginning of a substantial increase in REA units and line construction.

The Rural Electrification Administration has been an outstanding asset. The program has brought much comfort, lightened burdens of the farmer, and stimulated the economy of our Nation's rural areas. However, the purpose for which the Rural Electrification Administration was created has largely been fulfilled. Its continued operation under the terms and provisions provided in the present law have permitted the REA to go far beyond the original intent of the Congress, and these activities are now in direct conflict with our basic free enterprise system. The sharp rise in REA loan authorization in 1962 over the level proposed by a previous administration has occurred in the face of the following facts:

First, 98 percent practically of all farmers already have electric service.

Second, 4 out of every 5 new customers being added to the REA system are nonfarm power users.

Third, more than half the total power sales of the systems are now being made to nonfarm users.

In other words, the purpose of the act—that electrical service shall be provided for the farmer—has been practically fully achieved. Ninety-eight percent of all farms, as I have previously stated, are now provided with electrical service. Four out of every new five customers procured by REA are nonfarmers. More than half the total power sales of the systems are now being made to nonfarm users. The expansion of the REA electrification programs, despite those factors, which should indicate a diminishing program, is due to an aggressive effort on the part of rural electric cooperatives in several areas to create their own sources of power and replace in some measure the existing sources.

Mr. President, during the first 18 years of the existence of REA's, through fiscal year 1954, about \$2.3 billion in loans were granted for distribution systems to carry power directly to rural customers. Over the same period a total of \$550 million were granted for generation and transmission purposes. This was 18.8 percent of all electrification loans granted.

During the period 1955 through 1960 the generation and transmission loans totaled \$463 million, or 35 percent of all the electrification loans. This was an average of \$77 million a year.

In fiscal year 1961 G and T loans rose to \$152 million, or 55 percent of total loans. The sharp increase in amount and proportion of G and T loans in 1961 was accounted for by the approval on June 15, 1961, of a \$60 million generation and transmission loan which was the largest single REA loan ever granted.

Loans for generation and transmission purposes in 1962 amounted to \$155 million, or 59 percent of the total.

The estimate for the current fiscal year is \$250 million, which would be about 62 percent of the total.

I cite these figures to point out how the generation and transmission loans have risen in percentage and in actual dollar figures since 1961.

Of the \$425 million authorization request for fiscal year 1964 which is in the bill pending before the Senate, about \$290 million would be available for generation and transmission purposes. This would be 68 percent of the total authorizations.

Thus, in the 4-year period of 1961 through 1964 the funds loaned and budgeted for generation and transmission totaled \$847 million. This 4-year total is more than four-fifths of the \$1,013 million total which was granted in G and T loans for more than 24 years.

In 24 years the total was \$1,013 million, yet for the past 4 years the total was \$847 million. This indicates clearly that, at a time when nearly all the farmers have been provided with service, the rural electrification cooperatives are entering into fields that were never intended to be served by them.

If the true economic cost of power financed by generation and transmission loans were taken into account in justifying the loans, there would be few instances in which such loans could be justified on the basis of cost. The economic cost of power sold by the investor-owned utilities includes the cost of interest, operating expenses, depreciation, and taxes. The true economic cost of power sold by the G & T cooperatives includes the same elements of cost, although the cooperative itself does not bear all the cost. By having to pay only 2 percent interest to the U.S. Treasury on money which costs the Treasury 4 percent, the cooperative shifts one-half of the true interest cost to taxpayers generally. Also, by being exempt from Federal income taxes and a sizable portion of State and local taxes, the cooperatives shift to taxpayers generally the burden of the taxes they forgo.

I wish to especially direct the attention of my colleagues to the subject of taxes paid by cooperatives compared to taxes paid by the investor-operated power companies.

In 1961 the rural electric cooperatives received revenues of \$707,477,000 and paid taxes of \$23,435,000, or 3.3 percent of their revenues. What did the private power companies pay? Their revenues were \$10,666,474,000. They paid taxes amounting to \$2,437,046,000, or 22 percent of their revenues. The cooperatives paid 3½ percent of their revenues in taxes, and the privately operated companies paid 22.8 percent in 1961.

I also have figures for 1960. In 1960 the cooperatives paid 3½ percent of their

revenues in taxes. The private power companies paid 22.8 percent.

In 1959 the cooperatives paid 3 percent, and the private power companies paid 22 percent in taxes, for every dollar paid by cooperatives in taxes to the Federal Government, the private power companies pay \$7.

I point out at this time that, on the basis of the facts which I have heretofore related, every four of five customers newly acquired by the cooperatives are nonfarmers. If those nonfarmers were served by private power companies, the Federal Government would be receiving \$1 out of every \$5 in revenues collected by the power companies. With such consumers being served by the cooperatives, the Federal Government receives 14 cents out of \$5. How can it be asserted that this is fair?

I think I have some concept of fairness. I cannot see how it can be argued that in a free enterprise system a situation should be created whereby the private investor has to pay 22 cents out of every dollar of his revenues for taxes, while a cooperative pays 3 cents out of every dollar. Though I try with all my might to reconcile the disparity in these figures, I cannot do so.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. LAUSCHE. Not at this time.

If there were a jury before me and I were charging them on this subject and they were to decide the issue as to whether this situation was fair, I would say to them, "You have evidence that the private power company pays in taxes 22 cents out of every dollar it takes in. The cooperative pays 3 cents out of every dollar. The issue which you have to decide is whether this is fair to the general taxpayer and whether it is fair to the investors of the private power companies."

To say that it is fair would, in my judgment, require a distortion of reason and a distortion of moral approach. There would have to be an abandonment of what one of our Federal officials has labeled as puritanical morality. That is the only ground on which one could conclude that the situation is fair.

We come now to the 2 percent money. By having to pay only 2 percent interest to the U.S. Treasury on money which costs the Treasury 4 percent, the cooperative shifts one-half of the true interest cost to the taxpayers generally. Let us ponder that fact for a moment. The Federal Government pays 4 percent for borrowed money, and lends it at 2 percent. Is that fiscally sound? Is it fair? Is it fair to the general taxpayer, who has to provide that 2-percent subsidy? I do not consider it to be fair.

The Rural Electrification Administration has been non-self-sustaining financially. It has been subsidized by the general taxpayer. There was a time when that subsidization was probably justified. It was fair at a time when we were trying to lift the farmer out of darkness, to provide for him facilities that are available when electric power is supplied. But that day is gone. As I pointed out, 98 percent of the farmers now have electric service, and this program has changed in character from a

purpose to serve the farmer to a purpose to destroy the private power companies. One cannot draw any other conclusion. Though the arch proponents will deny this to be a fact, I state with confidence that it is a penetration of socialism into our economy.

I do not believe the farmer wants it. I do not believe the farmer, with all the difficulty of sustaining himself through toil on the land and through all of the experience the farmer has in the matter of good husbandry, will subscribe to the proposition that the Federal Government can lend money at 2 percent which it has to borrow at 4 percent to make the loan.

The rural electrification enterprises are on their feet, and I know it to be a fact that they want to borrow money on the general market. In the State of Ohio there is contemplated the establishment, through a combination of the rural electricists and the Ohio Power Co., of the largest power generating plant in the country under one roof. It is my understanding that a joint investment of \$130 million is contemplated. The money will be borrowed on the general market, not through the Federal Treasury.

Yesterday on the floor of the Senate there was adopted a proposal by the Senator from Oregon [Mr. MORSE] requiring the Federal Government to pay to the railroad employees retirement fund the same rate of interest that it pays to bondholders who buy the bonds of the Federal Government. Under the existing law, the railroad retirement fund has been lending money to the Federal Government and getting only 3 percent interest. The railroad employees complained. They argued that the Federal Government has the right to borrow this money, and it has been paying them only 3 percent, whereas when the Government borrows money from the sale of bonds it pays 4 percent interest.

The Senator from Oregon made the argument that that was not fair. I agreed with him. But why is it unfair to pay the railroad retirement fund 3 percent when the Federal Government is paying 4 percent to others, and then argue that it is fair for the Federal Government to lend to rural electric money at 2 percent when the Federal Government is borrowing it at 4 percent?

A tax cut is contemplated. I want to provide a tax cut. I have striven in the 6½ years I have been in the Senate to follow a policy that would make possible a lifting of the back-bending burden of taxation upon the American taxpayer. Those efforts have been in vain. Frequently I want to throw up my hands and say, "It is gone," but I find some consolation in the fact that if others were not making this fight, conditions would be far worse than they are.

Can we not adopt the general policy of the Federal Government lending money in certain instances, but at the same rate of interest as the interest rate which is paid on borrowed money? That would be the beginning of a program of good husbandry, prudence in the handling of taxpayers' money, and eventual achievement of a fiscal situation which would make possible a tax cut.

A moment ago I mentioned the horrifying statement, in my judgment, made by a member of the fiscal branch of our Government, that we should make a tax cut and forget puritanical morality. By that I understand he meant that morality on this subject should be cast to the winds, should be forgotten. Plain morality calls for a change in the system under which the Federal Government is lending money.

To illustrate that the REA has accomplished the mission for which it was created, I submit statistics supplied to me by the Rural Electrification Administration itself. Of the 3,818,200 farms in the United States, 3,726,850, or 97.6 percent, had central station electric service as of July 1962. Of these electrified farms, approximately 54 percent are served by REA-financed electric systems. The remainder are served by other suppliers, principally commercial power companies. Thus, I say that REA has accomplished its intended mission to fill the gap which could not profitably have been taken up by the private power companies.

In 1935, when REA was created, 743,954 farms in the United States had central station electric service. This was 10.9 percent of the farms in the country. Today 97.6 percent of the farms are being served.

I have a table which shows the percentage of revenues the rural electrics had to pay in interest charges beginning in 1941 and down to 1961. The table is important. Some rural electrics claim that if the interest rate is raised it will impair their ability to survive. In 1941 the rural electrics paid 21½ percent of their revenues in interest. In 1946, 5 years later, they were paying 9.74 percent of their revenues in interest. In 1961, they were paying 7.43 percent of their revenues in interest.

I therefore submit the question: If in 1941 they were able to pay 21.52 percent of their revenues in interest, and in 1961 they were paying only 7.43 percent, how can it be argued that they will be handicapped if the rate of interest is raised to the going rate, or raised by 1 percent?

I ask unanimous consent that the table showing the percentage of the revenues that they were paying be included in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Operating revenues and interest on long-term debt as reported by REA borrowers

Calendar year	Operating revenue	Interest on long-term debt ¹	Percent of operating revenue required to pay interest
1941.....	\$35,022,071	\$7,535,165	21.52
1942.....	46,927,322	8,784,262	18.72
1943.....	55,587,614	9,232,811	16.61
1944.....	64,042,574	8,750,278	13.66
1945.....	73,102,430	7,507,266	10.27
1946.....	89,089,822	8,675,204	9.74
1947.....	114,787,798	11,053,861	9.63
1948.....	151,434,599	14,803,674	9.78
1949.....	196,717,304	20,132,708	10.23
1950.....	241,342,540	26,110,181	10.82
1951.....	285,113,614	30,828,444	10.81
1952.....	321,407,348	35,194,683	10.95
1953.....	362,977,101	38,060,539	10.49
1954.....	408,144,564	40,397,061	9.90

Footnote at end of table.

Operating revenues and interest on long-term debt as reported by REA borrowers—Con.

Calendar year	Operating revenue	Interest on long-term debt ¹	Percent of operating revenue required to pay interest
1955.....	\$449,625,847	\$42,339,282	9.42
1956.....	491,184,729	43,561,023	8.87
1957.....	523,783,014	45,283,356	8.65
1958.....	563,204,367	46,814,538	8.31
1959.....	617,730,445	48,702,279	7.88
1960.....	663,788,978	50,938,764	7.67
1961.....	707,477,112	52,578,598	7.43

¹ For the years 1941-51 this item was reported as "interest expense."

Source: Annual statistical reports, "Rural Electrification Borrowers," published by Rural Electrification Administration.

Mr. LAUSCHE. Mr. President, I also ask unanimous consent that a table showing the comparative interest paid by the Government in borrowing the money and the interest collected by the Government in lending the money, from 1936 to 1962, be included in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Interest subsidy accruing to REA borrowers during the period of their loans

Fiscal year	Advances to REA borrowers	Interest rate charged by REA	Interest rate paid by Government	Interest subsidy
	Thousands	Percent	Percent	Thousands
1936.....	\$823	3.00	2.77	\$6
1937.....	11,042	2.77	2.88	443
1938.....	43,176	2.88	2.73	1,100
1939.....	62,297	2.73	2.69	2,105
1940.....	98,949	2.69	2.46	2,668
1941.....	75,108	2.46	2.48	3,248
1942.....	58,221	2.48	2.57	2,827
1943.....	14,537	2.57	2.67	742
1944.....	18,478	2.67	2.25	871
1945.....	39,736	2.00	2.25	2,205
1946.....	87,253	2.00	2.375	7,312
1947.....	190,086	2.00	2.375	15,929
1948.....	246,236	2.00	2.375	20,635
1949.....	321,287	2.00	2.375	26,923
1950.....	286,659	2.00	2.375	24,021
1951.....	268,131	2.00	2.375	22,469
1952.....	227,574	2.00	2.375	19,070
1953.....	207,634	2.00	3.25	60,075
1954.....	181,529	2.00	3.25	52,522
1955.....	156,742	2.00	3.00	35,862
1956.....	154,740	2.00	3.00	35,404
1957.....	185,978	2.00	3.00	42,551
1958.....	205,332	2.00	3.50	71,838
1959.....	211,717	2.00	4.00	100,593
1960.....	222,621	2.00	4.25	120,161
1961.....	183,413	2.00	4.25	98,999
1962.....	195,807	2.00	4.00	93,034
Total.....	3,960,104			863,613

SOURCES AND NOTES

Advances to REA borrowers: Rural Electrification Administration.

Interest rate charged by REA—rate charged borrowers on loans, as provided for in Rural Electrification Act: Fiscal years 1936-44—computed by Rural Electrification Administration. Fiscal years 1945-62—2-percent rate specifically provided for in Rural Electrification Act, as amended.

Interest rate paid by Government—average rate paid on marketable securities having a maturity of 10 years or more; does not include bonds issued for advance refundings: Fiscal years 1936-44—Treasury Department. Fiscal years 1945-57—Treasury Department, rounded to nearest ¼ of 1 percent. Fiscal years 1958-60 and 1962—computed from Treasury Department data and rounded to nearest ¼ of 1 percent. Fiscal year 1961—no bonds having a maturity of 10 years or more were issued during fiscal year 1961 for cash or in refunding maturing securities; accordingly, the average interest rate paid during the preceding fiscal year (1960) was used.

Detail may not add to total due to rounding.

Mr. LAUSCHE. I am glad to yield to the Senator from Illinois.

Mr. DOUGLAS. Perhaps I would

rather claim the floor in my own right at the conclusion of the address of the Senator from Ohio.

Mr. LAUSCHE. Mr. President, I call up my amendment.

Mr. HOLLAND. Which amendment is the Senator calling up? I believe the Senator has two amendments.

Mr. LAUSCHE. I call up amendment No. 196, which would raise the interest charge from the 2 percent level to the new level of 3 percent.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 38, between lines 5 and 6, insert a new section as follows:

SEC. 608. (a) The second sentence of section 4 of the Rural Electrification Act of 1936, as amended (7 U.S.C. 904), is amended by striking out "2 per centum per annum", and inserting in lieu thereof "3 per centum per annum".

(b) The third sentence of section 5 of the Rural Electrification Act of 1936, as amended (7 U.S.C. 905), is amended by striking out "2 per centum per annum" and inserting in lieu thereof "3 per centum per annum."

(c) The amendments made by this section shall be effective with respect to loans made on and after the date of enactment of this Act.

Mr. HOLLAND. Mr. President, will the Senator yield to me for a moment?

Mr. LAUSCHE. Yes.

Mr. HOLLAND. I understand that the Senator from Illinois wishes to speak on this subject, and perhaps other Senators too, but I serve notice to all Senators concerned that when the speeches have been concluded I will raise a point of order, for myself and for the committee, against the amendment. I do not wish in any way to interfere with the presentation by any Senator of this subject matter.

Mr. LAUSCHE. I understand that the point of order that will be raised by the Senator from Florida will have to be sustained by the Chair, in conformity with the rule of the Senate. However, I note, that I have filed a notice that I proposed to offer such an amendment, and that I would ask for a suspension of the rule and a vote on the motion to suspend the rule under the authority that I now have by reason of filing the motion.

Mr. HOLLAND. The Senator from Illinois [Mr. DOUGLAS], the Senator from Ohio [Mr. LAUSCHE] and I will ask for the yeas and nays if the question comes, as it now appears it may well come, on whether the rule should be waived.

Mr. LAUSCHE. As I understand, the motion to suspend the rule is debatable. Is that correct?

The PRESIDING OFFICER. The Senator is correct; the question is debatable.

Mr. LAUSCHE. I yield the floor.

Mr. DOUGLAS. Mr. President, unlike many critics of the REA, the Senator from Ohio [Mr. LAUSCHE] is perfectly consistent in the position which he takes. Many critics of the REA, while objecting to alleged subsidies paid to the farmers, through the REA, nevertheless swallow and support subsidies to airlines, ship lines, gas and oil interests, and many

other activities. I pay tribute to the Senator from Ohio by saying that he has been opposed to all these subsidies and is, therefore, perfectly consistent in the position which he takes. I pay tribute to his character.

Nevertheless, he is ignoring many things; and I should like to answer the body of his argument.

Mr. JOHNSTON. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield.

Mr. JOHNSTON. Since the Senator has named some of the interests that receive subsidies, he should certainly include the newspapers of the United States.

Mr. DOUGLAS. Yes.

Mr. LAUSCHE. I have tried to reach the newspapers through their mailing privileges, but I have never been able to succeed.

Mr. DOUGLAS. I credit the Senator from Ohio with complete sincerity and a strong desire to be consistent.

To begin with, the comparison which he draws between the rate at which the Government borrows and the rate at which the Government lends is defective. He has compared only the long-time borrowings of the Federal Government with the lendings, but not the short-time borrowings. During World War II and shortly thereafter, a large part of the borrowings of the United States were placed in the form of short-term paper—30 days, 60 days, 90 days, 6 months, and the like. The short-term issues in 1944 amounted to no less than \$70 billion and this increased in later years. In general, it can be said that private firms should not borrow short and lend long. But the short-time obligations of the Federal Government have now become an integral part of the national debt.

The short-term paper is turned over periodically—every 30 days, 60 days, 90 days, or 6 months, and so on—and while the proportion of the national debt which it constitutes has become somewhat diminished in the last three or four years, nevertheless it forms a large proportion of the national debt.

I intend to place in the *Record* later in the course of the debate statistics showing the proportion which they have formed. There is no prospect in the future that this mixture will be discontinued. At present, of the \$203 billion of marketable Government securities, \$47 billion are in the form of short-time bills running up to 90 and 120 days, \$74 billion are in certificates and notes running for between 1 and 5 years, and only \$82 billion are in bonds of over 5 years duration. In other words the short-time obligations form 60 percent of the marketable securities. Then there are approximately \$97 billion of nonmarketable bonds.

So, in general, we should remember that the short-time obligations of the Federal Government are at a much lower interest rate than the long-time obligations. For example, when the long-time obligations were being floated at a rate of $2\frac{1}{4}$, $2\frac{3}{8}$, and $2\frac{1}{2}$ percent, the short-time obligations of the Federal Government were being placed at less than 1 percent. The combined interest rate on

both short-time and long-time obligations for some years—and I shall submit the figures later; I do not have them at hand at this moment—was less than 2 percent. So for a few years the combined interest the Government paid was less than the interest rate which the Federal Government was charging the REA's. I do not have the figures at hand; I shall have to develop the precise nature of them later.

It is perfectly true that in recent years, as the short-time rate has risen and as the long-time rate has also risen, the combined rate, while lower than the long-time rate, has been above the rate at which the Federal Government lends to the REA. Therefore, it is true that there has been a subsidy to the REA's in later years, although over the whole life of the REA's the amount of the subsidy has been far less than what the Senator from Ohio asserts. This can easily be seen by comparing the combined interest rates as they appear in the table which I shall ask to have printed in the *Record* at the end of my speech, with the long-term rates quoted by the Senator from Ohio. But it is true that there is currently a subsidy. As of the present moment, the short-time interest rate is a little over 3 percent, and the long-time interest rate is approximately 4 percent. I would assume that the combined average cost is perhaps $3\frac{1}{2}$ percent. So now there is a subsidy, and I think it should be frankly admitted.

The next question is, Is this practice socially justifiable? In the beginning only a relatively small fraction of the farms of the country had electricity. The private power companies refused to extend their lines into the countryside. They refused to do so for a very simple reason: Because farms were relatively isolated, and there were relatively so few of them per mile of wire, the private power companies said it would be unprofitable for them to extend their lines into the countryside. As a result, while the people of the towns and cities had power and electricity, the people in the countryside did not.

I know something of the origin of the REA, because my friend and close political associate, Harold Ickes, was for many years the Secretary of the Interior, and it was under his direction that the rural electrification program was originated. I know that he and the initial leaders of the REA made every effort to persuade the private power companies to go into the countryside; and it was only after they were unsuccessful that the REA was developed. It was developed as an organization of co-operatives, not as a public power project, as has been the case in Ontario. REA was developed to encourage farmers to organize into co-operatives and to act as distributing agents to have power generated and transmitted to them. If it had not been that funds were provided at a relatively low interest rate—that is, low in comparison with what the cost would have been had the co-operatives been compelled to go to the commercial bond market and been compelled to pay 4, 5, or 6 percent—power would not have been extended to the countryside.

Everyone is now willing to say that in

the past the REA has been a good thing. It has been the best thing that has happened to rural America. It has lifted a mighty burden of toil from the shoulders of farmers and their wives. It means not only the lighting of houses and barns, and the diminution of fires in both houses and barns; it means the electrical pumping of water; it means the electrical milking of cows; it means the electrical heating of water, so that farm families can have baths more than once a week. It means the electrical grinding of feed; it means electrical cooking, electrical refrigerators, electrical washers, and electrical irons. It means radio and television, the cooling of milk, and in some cases the heating of rooms and electric blankets.

Perhaps the best thing the REA has done has been to bring roses back into the cheeks of American farmwomen. In southern Illinois, a Methodist minister once told me he thought the REA had decreased the divorce rate, because farmers and their wives were not so tired at night and did not quarrel so much with each other; thus they did not have so much recourse to the divorce courts. I do not know whether that is true, but that is what the Methodist minister said, and I am ready to trust his word.

In the meantime, the demands of farmers for power and electricity have increased. The Senator from Ohio [Mr. LAUSCHE] lifts his hands in holy horror at the fact that farmers have had power and now want more power. Of course they want more power. They started by lighting their houses and barns electrically. Now they want to refrigerate their food, wash and iron their clothes, and milk their cows electrically. Why not? Why shouldn't they have radio and television?

In return for the low interest rate, the Government made a severe demand upon REA co-operatives. It was a part of the bargain. The Government said to the REA co-operatives, "We will give you a low interest rate—2 percent—compared with the private long-time interest rate which would run close to 6 percent if you will promise to serve the entire area, including every farm, no matter how isolated or how far out it may be. You must serve the entire area. You may not skim the cream and choose only the communities or places outside the towns where large numbers of farms are close together. You must go out to the extremes of the county or the REA district and cover everyone, virtually, who wants power." That is something the private power companies always refused to do, and which they refuse to do now. But the REA agreed and does serve the entire area.

What has been the result? The average number of customers per mile of electric power of the private power companies is 33. Thirty-three to the mile. In the REA areas, it is 3.3 customers to the mile.

In other words, they have only one-tenth the depth of coverage per mile of the private companies. I believe that is worth a subsidy, and I stand by the side of the Senator from Ohio in the fight against the other subsidies. Indeed, I was fighting those subsidies before he

came to the Senate; and we shall continue to fight against them in the future.

However, I say this is one subsidy which is justifiable, because it brings mechanical aids to the people who have been loaded down with an excessive burden of toil. The need for increased power results in additional investment and the strengthening of the distribution lines. Therefore, even though 98 percent of the farms are covered, because they want more power, we have to "beef up" the lines, to serve them.

The Senator from Ohio made some animadversions—if I may use that multisyllabic word—upon the loans for generation and transmission. There have been some of those. I see nothing wrong with them. When the REA bargains with the private power companies, unless they have alternative weapons they are at the mercy of the companies which generate power, and in some cases the private companies take advantage of their monopolistic position and put the wholesale rates up very high. Therefore, we must furnish the distribution co-ops with a weapon by which they can stand up for themselves; and these are the generation and transmission loans. They also furnish a measuring rod for generation and transmission costs. May I say also that the REA co-ops have forced many private companies to reduce their rates and hence brought benefits to many who are not members of the REA.

The Senator from Ohio made a great point of the fact that four out of five new customers are nonfarmers. I believe I know why that has happened. In the beginning, the co-ops served the countryside, and the private companies served the towns. What has been happening, with the advent of automobiles and hard roads, is that a good many of the townsmen are moving out into the countryside to live, and a good many people from the countryside are moving in toward the towns to live. Close around the towns we find a number of people with 3-acre or 4-acre farm plots, garden plots, and residences. Towns people live in the country, and country people move halfway into the town; and this is the most profitable section in which to sell power, because it is the most thickly settled section of the countryside.

The REA has had this territory in the past. It has followed those who have come from the country into the town suburbs, and it wants to be able to serve those who have gone from the town into the suburbs. The private power companies want to enter and take this most profitable section away. I submit that they should not be allowed to do so.

There is room in this country for REA power, for private power, and for public power. There is room for all three of these systems. REA power covers the countryside, and I believe it covers it very well. The private power companies cover the towns and cities, with some exceptions; on the Tennessee River and on the Columbia River, we have public generation of power and transmission lines, and in some cases cooperative districts, which then distribute the power.

I believe there must be a combination of these varying systems, operating at the same time, so that each can check the other. I do not believe in building up a big power trust, because we had too much of that during the 1920's. I then lived in the city of Chicago, which was dominated by the Insull power interests. I got my start in politics, let me say, by inadvertently getting into that scrap. I found that the Insull interests dominated the financial and political life of my city and State, and that they were practicing financial shenanigans and all kinds of rate abuses, by refusing to pass on to the consumers the reduced costs of generation and transmission which had come in the 1920's.

I wish to say that the utility commissions were not a great help to us in this struggle, because when there are the so-called regulatory commissions, the groups which they are supposedly regulating reach out to regulate the regulators and control the alleged controllers. The regulatory commissions, when appointed, are perhaps vigorous for a short period; but they rather quickly lose their virtue and are overpowered by the lobbyists; many of them become weak and tired; those who try to defend the public have the last detail of their private lives examined and, however virtuous they may be, encounter great trouble in being reappointed or confirmed. And so the alert defenders of the public are gradually weeded out and we get either conformists or timid people, or industry-dominated persons in their places.

Therefore, I believe we need the REA. I do not believe I obtain any political "moxie" by making this speech. I have analyzed the voting records of the precincts and counties in the State of Illinois, and I find that in the areas where the REA is the strongest, I receive the least support. The only conclusion I can draw from this is that the members of the REA vote on the basis of reasons unrelated to REA. They have voted against me overwhelmingly in those districts. I expect this antagonistic vote to continue; I do not expect to change a single vote. I believe there are irrational prejudices against me; but I do not expect to change them.

However, in spite of the fact that they are not my supporters, I am their supporters. I hope very much this amendment of the Senator from Ohio, which he submitted with the best of motives, may be defeated.

Some may properly question many features of the farm program; but I do not believe anyone can properly challenge the work of the REA in helping the families of people on the farm who have not been doing well during the last 20 years.

So, Mr. President, I hope very much the amendment of the Senator from Ohio will be defeated.

I ask unanimous consent to have printed in the RECORD tables on the short-time interest rate and the combined long-time and short-time costs of the marketable Federal debt.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

U.S. Government marketable debt 1929-62

[Billions of dollars]

End of year or month	Short-term issues ¹	Treasury bonds
1929.....	3.3	11.3
1930.....	2.9	11.3
1931.....	2.8	13.5
1932.....	5.9	13.4
1933.....	7.5	14.7
1934.....	11.1	15.4
1935.....	14.2	14.3
1936.....	12.5	19.5
1937.....	12.5	20.5
1938.....	9.8	24.0
1939.....	7.7	26.9
1940.....	7.5	28.0
1941.....	8.0	33.4
1942.....	27.0	49.3
1943.....	47.1	67.9
1944.....	69.9	91.6
1945.....	78.2	120.4
1946.....	57.1	119.3
1947.....	47.7	117.9
1948.....	45.9	111.4
1949.....	50.2	104.8
1950.....	58.3	94.0
1951.....	65.6	76.9
1952.....	68.7	79.8
1953.....	77.3	77.2
1954.....	76.0	81.8
1955.....	81.3	81.9
1956.....	79.5	80.8
1957.....	82.1	82.1
1958.....	92.2	83.4
1959.....	103.5	84.8
1960.....	109.2	79.8
1961.....	120.5	75.5
1962.....	124.6	78.4

¹ Bills, certificates of indebtedness, and notes.

Source: Treasury Department.

Computed annual interest rate—(Total long- and short-term interest bearing securities)

[End of fiscal year]

1940.....	2.583
1941.....	2.518
1942.....	2.285
1943.....	1.979
1944.....	1.929
1945.....	1.936
1946.....	1.996
1947.....	2.107
1948.....	2.182
1949.....	2.236
1950.....	2.200
1951.....	2.270
1952.....	2.329
1953.....	2.438
1954.....	2.342
1955.....	2.351
1956.....	2.576
1957.....	2.730
1958.....	2.638
1959.....	2.867
1960.....	3.297
1961.....	3.072
1962.....	3.239
1963.....	3.361

[End of month]

1963:	
January.....	3.299
February.....	3.305
March.....	3.332
April.....	3.338
May.....	3.345
June.....	3.361
July.....	3.375

Source: U.S. Treasury Department.

Short term—Bond yields and interest rates, 1929-62

[Percent per annum]

Year or month	U.S. Government securities	
	3-month Treasury bills ¹	9-12-month issues ²
1929.....	(3)	(4)
1930.....	(3)	(4)
1931.....	1.402	(4)
1932.....	.879	(4)

Footnotes at end of table.

Short term—Bond yields and interest rates,
1929-62—Continued

[Percent per annum]

Year or month	U.S. Government securities	
	3-month Treasury bills ¹	9-12-month Issues ²
1933	.515	(4)
1934	.266	(4)
1935	.137	(4)
1936	.143	(4)
1937	.447	(4)
1938	.053	(4)
1939	.023	(4)
1940	.014	(4)
1941	.103	(4)
1942	.326	(4)
1943	.373	0.75
1944	.375	.79
1945	.375	.81
1946	.375	.82
1947	.594	.88
1948	1.040	1.14
1949	1.102	1.14
1950	1.218	1.26
1951	1.552	1.73
1952	1.766	1.81
1953	1.981	2.07
1954	.953	.92
1955	1.753	1.89
1956	2.658	2.83
1957	3.267	3.53
1958	1.839	2.09
1959	3.405	4.11
1960	2.928	3.55
1961	2.378	2.91
1962	2.778	3.02
1960: January	4.430	4.93
February	3.954	4.58
March	3.439	3.93
April	3.244	3.69
May	3.392	4.19
June	2.641	3.35
July	2.396	3.13
August	2.286	2.89
September	2.489	2.99
October	2.426	3.01
November	2.384	2.99
December	2.272	2.79
1961: January	2.302	2.70
February	2.408	2.84
March	2.420	2.86
April	2.327	2.83
May	2.288	2.82
June	2.359	3.02
July	2.268	2.87
August	2.402	3.03
September	2.304	3.03
October	2.350	2.97
November	2.458	2.95
December	2.617	3.03
1962: January	2.746	3.08
February	2.752	3.11
March	2.719	2.99
April	2.735	2.94
May	2.694	2.98
June	2.719	3.02
July	2.945	3.23
August	2.837	3.13
September	2.792	3.00
October	2.751	2.90
November	2.803	2.92
December	2.856	2.95

¹ Rate on new issues within period. Issues were tax exempt prior to Mar. 1, 1941, and fully taxable thereafter. For the period 1934-37, series includes issues with maturities of more than 3 months.

² Includes certificates of indebtedness and selected note and bond issues (fully taxable).

³ Treasury bills were first issued in December 1929 and were issued irregularly in 1930.

⁴ Not available before August 1942.

Sources: Treasury Department, Board of Governors of the Federal Reserve System.

Mr. HOLLAND. Mr. President (Mr. McINTYRE in the chair), I believe we have heard two very interesting discussions of what is undoubtedly a complex and controversial problem.

I have enjoyed every word of both of them, and I am sure other Senators also have.

The fact is that this is a complex subject. The fact is it is neither all white nor all black, and many approaches now being sought would keep the REA alive, functioning, happy, and prosperous, and at the same time would cure some abuses which undoubtedly have arisen.

I do not expect anyone to agree with me completely in what I shall say, but I believe there are undoubted abuses. I believe that under section 5 loans, there have been abuses which no Senator would seek to deny as having been abuses. I believe that in connection with some of the generation loans, there have been similar abuses—although I shall not attempt to go into them in detail. Just let me say that before the committee there appeared indisputable evidence that some such loans had led to the production of power which could not be sold to the consumers in a distribution system, except at a rate higher than that which was available from the power company serving the same area.

The record also showed that there were some instances in which REA loans for the construction of generation and transmission equipment had been indulged in with the purpose of allowing the purchase of that equipment for its later transmittal to companies that were not qualified to borrow from the REA. There is no doubt about that. But this is not the time for this subject to be dealt with. The Senator from Ohio is one of the frankest men I know, and, I believe, is one of the most honest—

Mr. DOUGLAS. The Senator means "frank" in a double sense, does he?

Mr. HOLLAND. Yes, if the Senator from Illinois insists on using a figure of speech.

The point I am making is that he has been frank enough to admit to the Senate that he is not speaking of what is the best method to correct the situation, because there are now on file in the Senate three different proposals of his to deal with what he sees as an abuse; and there is some abuse in the system.

The Senator has had printed two amendments to this bill. One would raise the interest rate from 2 to 3 percent; the other, which I shall not go into any detail to explain, would in general follow the method of requiring the payment of interest at the going rate for long-term loans. The Senator has introduced a bill, which has been referred to the Committee on Agriculture and Forestry, which would adopt much or all of the second method proposed by him in the amendment, but would go considerably further in correcting procedures in another field.

I honor the Senator for his frankness. He has made as clear as it could be made that there is a field in which there is no meeting of the minds—even the very fine mind of my distinguished friend, the Senator from Ohio [Mr. LAUSCHE]. He has proposed three different methods of correcting what he deems to be an abuse, and what I agree is in some instances an abuse.

To go further, the Senator from Ohio has only touched upon the subject. I find that eight bills have been introduced in the House of Representatives aimed at the correction of abuses which have become manifest in the REA. I have those bills, and if any Senator wishes to examine them, he will find that they adopt at least six different methods of approach to the subject.

In the Senate two legislative measures

have been introduced addressed to the correction of those abuses. I think they exist in only a very small minority of the cases of recent loans, but they have existed, and they do exist.

It is my feeling that, first, the great number of suggestions made shows very clearly that the subject is one which requires study, the making of a good record, and the hearing of witnesses on every point of view before the legislative committee. I am chairman of the subcommittee which would hear testimony on the bills. I am perfectly ready to undertake those hearings, although I feel that now is not an appropriate time. I would not undertake it in the remaining months of this session of Congress. In the first place, efforts were made by our committee, after some minor differences of opinion, to put into the report of our committee strong directions which we feel the REA should follow to eliminate the abuses which exist.

The able committee in the House of Representatives placed in its report a set of directions which we found good and which we adopted in toto, though we went considerably further.

That is the first avenue of approach. At the end of this year we shall see what correction of the several abuses has been manifested. It seems to me that that is reasonable. I do not believe any Senator would question for a moment the fact that REA has been a great blessing, not only to the farmers, but to all rural dwellers. The Senator from Illinois and other Senators have fully recounted the many blessings. They are such things as the use of television, the hatching of eggs, the separation of milk, the churning of butter, and dozens of other uses which I need not recount. We all know that REA has been a blessing, not only in the relief of labor on the part of farm families, but in the bringing of blessings of every kind to both farm families and other families in rural areas. More than half of all of the rural dwellers in the country are now served through this beneficent system.

The trouble is that the system has gotten out of hand in some respects. We would be foolish, and not friendly to REA itself, if we did not attempt to find methods of correction of the particulars in which the system has gotten out of hand.

It is no hardship to us, other than as taxpayers, if there are some abuses; but there would be a very great hardship to the REA as a whole if a loss of confidence by more and more people in our country, including Members of the Senate and the House of Representatives, should result.

In my short time in the Senate—I have been here 17 years—it has been apparent to me that the loss of confidence on the part of Senators and Members of the House has been a progressive factor.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield gladly.

Mr. DOUGLAS. Is not a large part of the alleged loss of confidence caused by the propaganda carried on by the private power companies, which frequently violate the truth and misrepresent the facts?

Mr. HOLLAND. Of course, the Senator knows that there has been such propaganda. I believe I could say, without being misunderstood, that the REA association is itself quite capable of the use of propaganda and has engaged in some. But I do not think that this is the time or occasion to go into that. Considering the multitude of efforts to correct the situation—three separate ones having come from the able, distinguished, and conscientious Senator who offered the pending amendment—a legislative approach is indicated so clearly that I cannot see how any Senator could possibly believe that the problem could be reasonably handled other than through action by a legislative committee, and to have it make recommendations to the Senate and the House.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. HOLLAND. I am glad to yield to the Senator from Ohio.

Mr. LAUSCHE. I have submitted two amendments to the pending bill. I have a separate amendment that was submitted about a month ago. In my own mind, the issue is clear.

There should be a reformation of this program. I submitted a proposal for a 3-percent rate. That is the mildest recommendation that I have in mind. I made that recommendation deliberately, thinking that perhaps the Senate would be willing to do a little of what ought to be done. I am not disillusioned by a belief that I shall succeed. I believe the rate of interest ought to be lifted to the going rate that the Federal Government is paying. But thinking that I might get a vote here and a vote there, I lowered the rate to 3 percent. Obviously the same argument will be made on that point which was made on the test ban treaty: "It is wrong in A, B, C, D, E, and F, but—I think it is all right."

Mr. HOLLAND. Mr. President, I say again that there is no franker man, with apologies to the Senator from Illinois [Mr. DOUGLAS], in the Senate or in the United States than the distinguished Senator from Ohio. But we have a plethora of suggestions as how to correct the manifest abuses. I say there are two ways that we could approach the question.

I suggest that it be done in the order in which our committee felt it should be done; first, by the giving of directions, which we think would go far toward correcting the abuses. If that procedure should fail, there should be hearings before the legislative committee.

So far as the Senator from Florida is concerned, he is no more fearful of attacking the problem than any other Senator. He has already been heavily criticized because he has suggested the first method of correction, which is a friendly one. One of the big troubles about those who become enthused about the single program that they are particularly interested in is that they generally seem unable to determine who their friends are. That happens to be the case with reference to some of the leading agitators in this particular REA group.

Mr. President, I am perfectly willing either to yield to other Senators or

to have other Senators express their views before I make a point of order.

I must make the point of order, not only because that is the uniform practice of the committee of which I am a member, but also because in my own mind it is so completely right not to proceed on the floor of the Senate, in discussion of an appropriation bill, to try to change the basic operations of an agency which has been as helpful to so many millions of people as this one has been.

Mr. AIKEN. Mr. President, if the Senator will yield, I shall try to be brief.

Mr. HOLLAND. I yield.

Mr. AIKEN. Mr. President, I wish to give the Senator from Ohio [Mr. LAUSCHE] credit for consistency in his desire to do away with all subsidies and things that look like subsidies. I feel that his chances of accomplishing this worthy purpose are so slim that I would not wish to see the REA selected as the first example, when, in all probability, other examples would not follow.

As has been well said, the REA was established to serve the rural areas of the country which the corporate utilities would not or could not serve at the time. In that respect, as pointed out by the Senator from Ohio, a great deal has been accomplished, in that more than 99 percent of the farms of this country are now served with electricity.

The Senator from Illinois has well pointed out that while corporate utilities have an average of 33 customers per mile of line, the REA's have an average of only 3.3 customers per mile, which means that on many miles they have probably not more than two customers, and possibly only one customer. Certainly REA's cannot be expected to serve their areas on the same basis as utilities which have an average of 33 customers per mile.

The Senator from Ohio very properly pointed out that the corporations pay much more to the Federal Government in the form of taxes than do the cooperatives, but the fact remains that they get the money from someone. They first collect it from their customers on their lines, before turning it over to the Federal Government. The REA does not operate on that basis. It must operate on a nonprofit basis, because in many of the REA areas there are not customers who can afford to pay enough so that the REA could turn over a substantial portion of its revenue to the Federal Government in the form of taxes.

Utilities are set up to make profits for their investors. Rural electric cooperatives are established to perform a service for their members.

Utility corporations in most States are protected against encroachment. They have the right of eminent domain and other rights which are not available to REA cooperatives. I believe that at present in some 15 States both corporate utilities and cooperatives are protected by law—at least, it is undertaken to give them equal opportunities under the law, and encroachment on territory is prohibited.

There is another item of importance. So far as I know, the corporate utilities never pay off their investments. When their bonds come due they refinance.

The REA cooperatives are required to pay off their investments, or their borrowings, in a period of not to exceed 35 years. Some of them have done so in a much shorter time. I believe there were several in Indiana which paid off the total amount of their loans.

The REA cooperatives pay interest. They pay on principal, as it is due. At the time the hearings were held before the Subcommittee on Appropriations on the Agriculture Department, it was brought out that there were two cooperatives in arrears at the present time. Of the \$4 billion in loans, the amount of loans in arrears was about \$150,000.

A question arises: Why, if 99 percent of the farms of this country are now served, is it necessary to continue to encourage further borrowings or to make available further funds at a low rate of interest? The reason is that when the REA's first went into these rural areas they served largely marginal farms, the poorer farms with no electrical equipment whatsoever. Millions of farmers who came into the REA's early put lights in their houses. Some put lights in their barns.

Now the farms of America have become electrified. The use of power has risen from a few hundred kilowatt-hours a month 20 years ago to somewhere between 3,000 and 4,000 kilowatt-hours a month at the present time. That means that the lines must be rebuilt. A great deal of capital is required to rebuild them. That is the reason why we continue to appropriate each year for loans, which will be paid back in full.

I am perfectly willing to go along and say that 2 percent interest may represent a subsidy. We can also point out the fact that practically every business in the United States is subsidized in one way or another. The petroleum interests have been pointed out as perhaps the most glaring example of subsidy. Tax benefits are available to them. The manufacturing companies enjoy benefits. The merchant marine is heavily subsidized.

I believe the utility companies are subsidized. The Congress enacted tax legislation last year to authorize the electric utilities a 3-percent tax deduction. I voted to give them a 7-percent deduction, the same as the pipelines had, but the Senate agreed to give them a 3-percent tax deduction.

Not so many years ago, about 1950, Congress enacted legislation to encourage the construction of industrial facilities in the United States, and authorized a complete writeoff of the cost in 5 years' time. That was a 20-percent per year writeoff. It was expected, when that law was passed, that it would be used primarily by steel companies and manufacturing plants, but the fact remains that nearly all of the benefits accrued to the electric utilities, which were given a 20-percent writeoff on billions of dollars.

I do not think the electric utilities are in any position to complain now if the rural electric cooperatives receive a 1-percent benefit by way of interest charges. Most of the \$4 billion which was loaned to REA was loaned at a time when the Federal Government was pay-

ing 2 percent or less—from $1\frac{7}{8}$ percent to 2 percent—in interest for the money it borrowed.

If the distinguished Senator from Illinois [Mr. DOUGLAS] or any other skilled economist in the Senate will take his pencil, I guarantee that he will find that the 3-percent tax benefit granted the corporate electric companies last year amount to more than 1-percent interest increase which the amendment of the Senator from Ohio would provide in the charge to the REA's.

Mr. DOUGLAS. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I will yield, with the permission of the Senator from Florida and of the Senate.

Mr. HOLLAND. Mr. President, I gladly yield to the Senator from Illinois, so that he may address a question to the Senator from Vermont.

Mr. DOUGLAS. Mr. President, since I left the Chamber I have been able to obtain the short-term interest rates of the Federal Government. I find that in 1945, when the 2-percent interest rate was adopted for REA loans, the rate on 3-month Treasury bills was three-eighths of 1 percent.

The rate continued at less than 1 percent to 1948.

From 1948 to 1953 it was less than 2 percent.

It went down to less than 1 percent in 1954.

It went up to $1\frac{3}{4}$ percent in 1955.

In 1956 it was 2.7 percent.

In 1957 it went up, briefly, to 3.3 percent, and then dropped to a lower figure.

For a long period of time the short-term interest rate was below 1 percent and below 2 percent.

In a few minutes I shall have combined statistics. I believe the interest rates on long and short term will show that there were a number of years when the combined cost was less than 2 percent.

Mr. AIKEN. Mr. President, I wish to add one more comment, and then I shall be through.

I have no doubt that in some parts of the country the REA cooperatives have done things that ought not to have been done, but I point out that the Federal Government does not operate the electric lines. The Federal Government is a lending agency only and certain acts of the REA cooperatives which Members of the Senate have condemned have been done under State laws, not Federal laws. Any State in the Union that finds that an REA cooperative is not proceeding properly has full authority to amend its own laws to bring the co-ops into line.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. HOLLAND. I yield to the Senator from Ohio in order that he may ask a question of the Senator from Vermont.

Mr. LAUSCHE. Does the Senator from Vermont care to discuss the difference in the tax rate? The rural cooperatives are paying 3 cents on the dollar in taxes, and the private power companies are paying 22 cents out of every dollar.

Mr. AIKEN. Yes. The private power companies collect that money from the users of electricity to whom they sell

power and pay it to the Federal Government. The electric cooperatives are non-profit organizations, and have no income to pay on. We cannot expect someone to pay if he does not have anything to pay on.

Mr. LAUSCHE. Is it not a fact that when an investor in a power company is paying 22 cents out of a dollar in taxes, and a co-op is paying only 3 cents out of every dollar, the purchaser of the power from the power company must pay a part of the cost that the purchasers of power from the cooperatives ought to pay?

Mr. AIKEN. No. A member of an REA cooperative, by saving on the cost of electricity, pays income to the Federal Government itself. The corporation is not in business for its health. It is in business to make money. The corporations have done very well, and have done better since the REA has come into existence than they were doing before. They collect from the users of electricity the additional tax money which it has to pay to the Federal Government. That is one way to get the tax money.

Mr. LAUSCHE. I cannot agree with the Senator from Vermont in his interpretation of the facts. The investor in the power company, which is paying for taxes 22 cents out of every dollar it takes in, is paying a part of the load that ought to be borne by the user of the co-op, which is paying only 3 cents on the dollar in taxes.

Mr. AIKEN. No. The corporations flatly refused to serve the areas the REA went into. Let me remind the Senator that when the REA law was established, it was expected that low-rate interest loans would be made to the utility companies. They all refused to have anything to do with it, and that is how the cooperatives came into being. The corporations flatly declined to serve the vast rural area which has developed, one could say, almost into the heartland of America today. It is one of the most productive parts of our country.

REA cooperatives never would have come into existence had the utility companies been willing to serve those areas.

Mr. HOLLAND. Mr. President, I yield now to the Senator from Kentucky [Mr. COOPER].

Mr. COOPER. Mr. President, I agree with the Senator from Florida that the amendment should not be accepted. It is, of course, subject to a point of order. But even it were not, it would be the proper procedure to consider this amendment in the appropriate committees, the Committees on Agriculture and Forestry of the House and Senate.

I think I can speak with objectivity on this subject, because several years ago the REA cooperatives of Kentucky 3 or 4 years ago, in their convention, expressed the view that consideration should be given to an increase in the interest rate.

This proposal to raise interest rates to REA is not as simple as it is made to appear by private utilities who ask that the interest rate be raised.

It is extreme to say that the 2-percent interest rate is seriously affecting the private utilities. The fact is that 80 percent of the energy which is produced and sold in this country is supplied by the

private utilities. They will always furnish, and properly so, this percentage or even a larger percentage of power consumed, because of the increasing demand for electric energy.

There has been much talk about the generation and transmission plants financed by REA. The fact is that only 1 percent of the energy produced in this Nation is produced by the generation and transmission plants. Appropriations to maintain that relative position—namely, 1 percent of the total power produced in the United States—have been requested. And both the House and Senate Committees on Appropriations, while establishing criteria for the proper and effective use of these funds, have not recommended that these funds for generation and transmission plants be withdrawn. They have established criteria, as I have noted, to assure the proper use of the funds by REA and also to make certain that private utilities, offering alternative sources of power—submit fair rates and do not use dual rates in dealing with REA cooperatives.

A great deal has been made of the fact that about 98 percent of the farms have been reached by electricity. That evades the issue. The question is whether all requirements for additional and necessary power can be supplied by REA to these farms. According to the evidence, the use of electricity on farms is doubling every 5 or 7 years. This requires, of course, that additional loans must be made available to local REA cooperatives for equipment and transmission lines necessary to meet the needs of farm families and farm areas.

It has been mentioned today, and argued against REA that five out of six of the new users are nonfarmers, but, giving this statistic does not give a true picture of the percentage of nonfarmers served, compared with the total number of patrons. These nonfarmers live in the areas which REA's serves; areas which private utilities would not serve.

It is more costly to provide service to rural areas with an average of 3.3 persons on 1 mile of REA lines, compared to 33 on the private utility lines of urban areas. The Congress through its proper committees should look into all these facts before raising interest rates, for we are dealing with the question of supplying adequate power to rural areas, by REA.

I can remember when there was no electricity outside the town I lived in as was the case over the United States. I could stand at the top of a hill and see the lights around my town, but if I looked beyond the town there were no lights, except lanterns and lamps. In my judgment, there would not now be any but for REA. We ought to keep those facts in mind for REA has not only brought light, and necessities and convenience to farm families, it has brought increased income to businesses in our communities, to banks and to industry generally.

I support the position of the Senator from Florida, and the position of the Committee on Appropriation. In all fairness to REA—to farmers as well as to private utilities—the question of raising interest rates must be studied by the

proper committee through hearings. I will vote against the amendment of the Senator from Ohio [Mr. LAUSCHE].

Mr. HOLLAND. Mr. President, I understand that the ranking minority member of the subcommittee, the gentleman from North Dakota [Mr. YOUNG], wished to be heard.

Mr. YOUNG of North Dakota. Mr. President, I associate myself with the comments made by the Senator from Vermont, the Senator from Kentucky, and other Senators. I think this is a matter which should be decided by the Committee on Agriculture and Forestry when appropriate hearings can be held.

Mr. HARTKE. Mr. President, I oppose the suspension of the rules for the purpose of considering the amendment being presented by the Senator from Ohio [Mr. LAUSCHE].

The matter of interest rates in the Rural Electrification Administration is a substantive matter of considerable importance. It should not be acted upon hastily. The Senator himself underlined its importance in his address to this body yesterday, when he stated that what he calls the loan subsidy from insufficient REA interest rates now exceeds \$1 billion.

The Senator from Ohio also stated that in 1961 interest repaid to the Government by REA borrowers amounted to more than \$52.5 million in 1961, consuming 7.43 cents on every dollar of the borrowers' incoming revenue. His table A introduced in the RECORD shows a Treasury interest cost in 1962 of 4 percent, or double the REA 2-percent rate. I believe we should not hastily consider by this means a move which would exactly double, to nearly 15 cents on the revenue dollar, the cost of REA loans to their borrowers.

This amendment, and the second one which the Senator from Ohio is prepared to offer if we suspend the rules, is already before the Agriculture Committee in the form of a bill. It is far more appropriate that these measures, with their complex ramifications, receive the earnest attention of the committee through its usual procedures rather than the hasty and ill-informed attention of the body as a whole at this time.

Mr. HOLLAND. Mr. President, I raise the point of order that the amendment proposed by the Senator from Ohio is legislation on an appropriation bill.

The PRESIDING OFFICER (Mr. MCINTYRE in the chair). Under rule XVI, the Chair sustains the point of order on the ground that the amendment proposed is legislation on a general appropriation bill.

Mr. LAUSCHE. By virtue of the right I acquired by filing a notice proposing to ask for a suspension of the rule, at this time I move to suspend the rule. I ask for the yeas and nays on the motion.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Ohio.

Mr. HOLLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HOLLAND. The question is on the motion to suspend the rule. Is that correct?

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Ohio, to suspend the rule. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. BREWSTER (after having voted in the affirmative). On this vote I have a pair with the junior Senator from South Dakota [Mr. McGOVERN]. If he were present and voting he would vote "nay." If I were at liberty to vote, I would vote "yea." I therefore withdraw my vote.

Mr. HUMPHREY. I announce that the Senator from Nevada [Mr. BIBLE], the Senator from Virginia [Mr. BYRD], the Senator from Nevada [Mr. CANNON], the Senator from Connecticut [Mr. DODD], the Senator from Michigan [Mr. HART], the Senator from Indiana [Mr. HARTKE], the Senator from Washington [Mr. JACKSON], the Senator from Washington [Mr. MAGNUSON], the Senator from Montana [Mr. MANSFIELD], the Senator from Wyoming [Mr. McGEE], the Senator from South Dakota [Mr. McGOVERN], the Senator from Montana [Mr. METCALF], the Senator from Utah [Mr. MOSS], the Senator from Rhode Island [Mr. PASTORE], the Senator from Tennessee [Mr. WALTERS], and the Senator from New Jersey [Mr. WILLIAMS] are absent on official business.

I further announce that the Senator from California [Mr. ENGLE] is absent due to illness.

I further announce that, if present and voting, the Senator from Nevada [Mr. BIBLE], the Senator from Nevada [Mr. CANNON], the Senator from Indiana [Mr. HARTKE], the Senator from Washington [Mr. JACKSON], the Senator from Washington [Mr. MAGNUSON], the Senator from Montana [Mr. MANSFIELD], the Senator from Wyoming [Mr. McGEE], the Senator from Montana [Mr. METCALF], the Senator from Utah [Mr. MOSS], the Senator from Rhode Island [Mr. PASTORE], the Senator from Tennessee [Mr. WALTERS], and the Senator from Virginia [Mr. BYRD] would each vote "nay."

Mr. DIRKSEN. I announce that the Senator from Colorado [Mr. ALLOTT], the Senator from Hawaii [Mr. FONG], and the Senator from Nebraska [Mr. HRUSKA] are absent on official business.

The Senator from Kansas [Mr. CARLSON], the Senator from New Hampshire [Mr. CORTON], the Senator from Maryland [Mr. BEALL], the Senator from California [Mr. KUCHEL], and the Senator from Iowa [Mr. MILLER] are necessarily absent.

The Senator from Wyoming [Mr. SIMPSON] is detained on official business. If present and voting, the Senator from California [Mr. KUCHEL], the Senator from Colorado [Mr. ALLOTT], and the Senator from Iowa [Mr. MILLER] would each vote "nay."

On this vote the Senator from Maryland [Mr. BEALL] and the Senator from Hawaii [Mr. FONG] are paired with the Senator from Nebraska [Mr. HRUSKA]. If present and voting, the Senator from

Maryland and the Senator from Hawaii would vote "yea," and the Senator from Nebraska would vote "nay."

The result was announced—yeas 16, nays 57, as follows:

[No. 175 Leg.]

YEAS—16

Bennett	Javits	Saltonstall
Boggs	Jordan, Idaho	Scott
Case	Keating	Tower
Curtis	Lausche	Williams, Del.
Dominick	Mechem	
Goldwater	Pearson	

NAYS—57

Aiken	Hickenlooper	Nelson
Anderson	Hill	Neuberger
Bartlett	Holland	Pell
Bayh	Humphrey	Prouty
Burdick	Inouye	Proxmire
Byrd, W. Va.	Johnston	Randolph
Church	Jordan, N.C.	Ribicoff
Clark	Kennedy	Robertson
Cooper	Long, Mo.	Russell
Dirksen	Long, La.	Smathers
Douglas	McCarthy	Smith
Eastland	McClellan	Sparkman
Edmondson	McIntyre	Stennis
Ellender	McNamara	Symington
Ervin	Monroney	Talmadge
Fulbright	Morse	Thurmond
Gore	Morton	Yarborough
Gruening	Mundt	Young, N. Dak.
Hayden	Muskie	Young, Ohio

NOT VOTING—27

Allott	Engle	McGee
Beall	Fong	McGovern
Bible	Hart	Metcalfe
Brewster	Hartke	Miller
Byrd, Va.	Hruska	Moss
Cannon	Jackson	Pastore
Carlson	Kuchel	Simpson
Cotton	Magnuson	Walters
Dodd	Mansfield	Williams, N.J.

So Mr. LAUSCHE's motion to suspend the rule was rejected.

VISIT TO THE SENATE BY SENATOR GIACINTO BOSCO, MINISTER OF JUSTICE, AND CONGRESSMAN LORENZO NATALI, DEPUTY SECRETARY OF THE TREASURY, MEMBERS OF THE ITALIAN ACADEMY OF FORENSIC MEDICINE

Mr. PELL. Mr. President, it gives me particular pleasure to welcome to the floor of the Senate two distinguished members of the Italian Academy of Forensic Medicine. I regret very much that my colleague, the senior Senator from Rhode Island [Mr. PASTORE] could not be present on this occasion because of an unbreakable commitment in New England; but on behalf of all my colleagues on the Senate committee to welcome the Italian Academy of Forensic Medicine speaking personally, as a Knight of the Crown of Italy, I offer to these eminent visitors our warmhearted greetings and our admiration. They honor us by their presence. They are Senator Giacinto Bosco, his country's Minister of Justice; and Congressman Lorenzo Natali, his country's Deputy Secretary of the Treasury.

Representing their own governing bodies and more than 200 members of the academy who have flown to the United States from Rome, they are embarked on a broad and meaningful program to explore the "Biological, Social and Juridical Evolution of Man in the Space Age."

In its membership the academy includes judges, lawyers, biologists, social

scientists, and physicians. It is of special significance in today's complex world that these various professions and disciplines should be so purposefully inter-related.

We are grateful to the academy for choosing to hold its congress in our country; and in this respect, I would like to pay tribute to my good friend, Mr. Ernest Cuneo, who has given so much of his time and efforts to help with the original planning. Indeed, Mr. Cuneo has been called by Mr. Natale the animator of this congress of the academy.

The academy is concerned with increasing worldwide understanding, with deepening the appreciation of justice, with interpreting the relationship between positive law and scientific progress, and with furthering cultural relations in all aspects of its endeavors.

Mr. President, I believe these are goals of immense value. They bear importantly on the growth of international friendships and of the cause of world peace.

In extending our own friendship and high regard to our illustrious guests, let us wish them every success. I nostri migliori auguri, signori, e i nostri migliori felicitazione. [Applause, Senators rising.]

Mr. PELL. I ask unanimous consent to have printed in the RECORD a statement by Minister of Justice Bosco.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY H. E. GIACINTO BOSCO ON
BEING RECEIVED BY THE SENATE

It was a particular honor to be received by the Senate of the United States, a legislative body that has acquired such great respect in the world for the wisdom of its decisions, at all times inspired by those principles of freedom and justice proclaimed by the Declaration of Independence and sanctioned by the U.S. Constitution.

The recent deliberations for the ratification of the partial atomic ban treaty were greeted in Italy with deep satisfaction as a first step toward the relaxation of international tensions and the consolidation of peace, the supreme ideal of humanity, solemnly attested by the Charter of the United Nations.

Inspired by these very ideals, the Third Italian Congress of Forensic Medicine took place, during the last few days, in New York. Over 400 Italian scientists and jurists were in attendance to reaffirm the principle that scientific and technological progress in the space age must be accompanied by a profound rebirth of moral and spiritual human values.

If humanity will remain solidly anchored to the values of the spirit, we shall be able to labor confidently towards the achievement of all the conquests of progress, and bend them to the service of man, so that, as President Kennedy said, mankind may obtain the fruits of the marvels of science instead of being destroyed by its terrors.

During the meeting over which I had the honor of presiding together with Attorney General Robert F. Kennedy, I had the opportunity of appreciating the hospitality of the American people and its sympathy for my country which, in complete loyalty to the ideals of the Atlantic Pact, continues, side by side with the United States of America, on its way towards economic progress, civil rights and social justice.

In witness to the sentiments of friendship that I hold for the American people, may I be allowed to recall here, on this solemn floor of the U.S. Senate, that my first speech on the floor of the Senate of the Italian Republic dealt with the ratification of the Marshall plan, a most effective instrument for the rehabilitation of freedom loving countries.

Also on behalf of my colleague in the Italian Parliament and Government, the Hon. Lorenzo Natali, who is here with me, I wish to express my warmest thanks for the welcome that has been reserved for us by the U.S. Senate. Furthermore, I wish this illustrious Assembly may see the attainment of total success in its efforts for the consolidation of peace and the triumph of our mutual democratic ideals.

Mr. HUMPHREY. Mr. President, I join the able and distinguished Senator from Rhode Island in welcoming our guests to this Chamber. We are honored by their presence. I hope they will convey to their countrymen the warm regards of the Senate of the United States and the people of the United States. We are pleased to have you with us.

The PRESIDING OFFICER. On behalf of the Senate, the Chair extends a hearty welcome to our honored guests.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5888) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1964, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 7, 11, 20, 34, 38, 46, 58, 66, and 68 to the bill and concurred therein, and that the House receded from its disagreement to the amendments of the Senate numbered 8, 12, 21, 37, and 56 to the bill, and concurred therein, severally with an amendment, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H.R. 5250) to amend section 411(a) of title 38, United States Code, to increase the rates of dependency and indemnity compensation payable to widows of veterans dying from service-connected disabilities, and it was signed by the President pro tempore.

LEGISLATIVE PROGRAM

Mr. DOMINICK obtained the floor.

Mr. DIRKSEN. Mr. President, will the Senator from Colorado yield without losing his right to the floor?

Mr. DOMINICK. I yield, provided I do not lose the floor.

Mr. DIRKSEN. Mr. President, I should like to ask the acting majority leader what other amendments will be considered, how long the session is likely

to continue this afternoon, and also what the program will be for tomorrow?

Mr. HUMPHREY. Mr. President, it is my understanding that the Senator from New York [Mr. JAVITS] has one amendment, which he will offer after the Senator from Colorado has completed his statement. As I recall, the Senator from South Dakota [Mr. MUNDT] and a number of cosponsors also intend to offer an amendment to the agricultural appropriation bill. I know of no other amendments.

It is the intention of the leadership, following the vote on the Javits amendment, to have the Senate adjourn until Monday at 12 o'clock noon.

Before the Senate concludes its business today, it is intended to call up the conference report on the Department of Health, Education, and Welfare appropriation bill. This is a priority item. When the business for today has been completed, it is intended to have the Senate adjourn until Monday.

It is proposed to ask for a limitation of debate on the Mundt amendment. On any other amendments that might be offered, it is proposed that there be not more than 15 minutes to a side.

The Senator from South Dakota [Mr. MUNDT] indicated to me that an hour on each side would be adequate.

Mr. MUNDT. I did so indicate; but since then I have found that one or two of my associates on the amendment may wish to speak a little longer than I had anticipated. So in order not to cut the time too thin, I would suggest an hour and one-half.

Mr. HUMPHREY. Then at this time I shall not propose a unanimous-consent agreement; I shall wait until I check with other Senators as to the amendments to be offered. But I understand that, tentatively, the Senator from South Dakota would like an hour and one-half for each side, on his amendment.

Mr. MUNDT. That is correct.

Mr. HUMPHREY. I shall check with other Senators; and after the Javits amendment has been voted on, I shall offer a unanimous-consent request along the lines discussed.

Let me say that the intention is that after we finish the agricultural appropriation bill, on Monday next, we shall call up the measure for a 1-year extension of the Civil Rights Commission.

Mr. RUSSELL. Will the Senator from Colorado yield?

The PRESIDING OFFICER (Mr. BREWSTER in the chair). Does the Senator from Colorado yield to the Senator from Georgia?

Mr. DOMINICK. I am glad to yield.

Mr. RUSSELL. Does the Senator from Minnesota refer to his revised Humphrey amendment?

Mr. HUMPHREY. Yes, to the amendment placed in the RECORD yesterday, as offered by the Senator from Montana [Mr. MANSFIELD], the Senator from Illinois [Mr. DIRKSEN], and myself.

Mr. HOLLAND. Mr. President, will the Senator from Colorado yield?

Mr. DOMINICK. I yield to the Senator from Florida.

Mr. HOLLAND. It is not the intention to take up the measure on the extension of the Civil Rights Commission until after the agriculture appropriation bill is disposed of, is it?

Mr. HUMPHREY. That is the situation. After the agricultural appropriation bill is disposed of—we hope it will be disposed of on Monday—we hope that will be done. Arrangements are being worked out now, because a number of Senators wish to leave, some already are absent, and others wish to work here. I should like to accommodate all of them, and I ask Senators to do so by agreeing not to hold a Senate session tomorrow. A little later, we shall ask unanimous consent to that effect.

Mr. KEATING. Is it anticipated that consideration of the measure to extend the Civil Rights Commission will be completed on Monday?

Mr. HUMPHREY. It is the intention of the leadership to endeavor to have it concluded on Monday, and Senators should be prepared to stay here on Monday until its consideration is concluded.

DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATIONS, 1964

The Senate resumed the consideration of the bill (H.R. 6754) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, and for other purposes.

Mr. DOMINICK. Mr. President, I wish to express my appreciation to the Senator from Florida. Let me say that the Senate Agriculture and Forestry Committee has done a good job in trying to obtain further scrutiny of the REA loans. I believe the procedures which have been established by the House and have been accepted by the Senate committee are good; they have been published accurately in the report.

I commend the Senator from Florida and other members of the committee for the work they have done. But the basic problem is that although these provisions take care of the section 5 procedures, and also take care of the generation and transmission loan procedures, in fact, they do not touch at all the interest problem.

So in view of the statement of the Senator from Florida—as shown in yesterday's RECORD—that he would not hold hearings on the bills in connection with the interest rate, the amendment on which we recently voted seemed to be the only way in which we could possibly bring this interest rate question before the Senate at this time.

Mr. HOLLAND. Mr. President—

Mr. DOMINICK. I yield now to the Senator from Florida.

Mr. HOLLAND. I wish to make very clear that I certainly would not want to be understood as having said that I would not hold hearings on this measure. I said I would not hold hearings this year, because I thought we were in the midst of so much confusion and because I was very hopeful that the directions given by the Appropriations Committee might prove sufficient to clear up most or all of the manifest abuses which now exist or have existed in the past.

However, by no means would I refuse to hold hearings. The Senator from Colorado [Mr. DOMINICK] has introduced one interesting and scholarly bill on this subject. The Senator from Ohio [Mr. LAUSCHE] has also introduced another. Eight have been introduced in the House. At least 6 different approaches are covered by the 10 bills. The Senator from Ohio today was very frank, as is his custom, and admitted he has proposed three different approaches to this matter. Certainly a winnowing-out process must occur before any hearings are held by the legislative committee; and I stand ready to be of assistance in that regard. I do hope we shall pass measures correcting the abuses which have existed—and which we hope will not exist in the future—so that when we deal with the rate structure, we shall not find the bills dealing with correction of the abuses mixed into the hearings on the rates.

Mr. DOMINICK. I thank the Senator from Florida. I know how hard he has worked on this problem. If I have misstated the facts about the hearings, I apologize. I knew the Senator would not hold them this year, because I read his statement to that effect in the RECORD of yesterday.

Mr. LAUSCHE. Mr. President, will the Senator from Colorado yield?

Mr. DOMINICK. I am glad to yield.

Mr. LAUSCHE. Mr. President, I repeat what I said earlier this afternoon: I do not propose three approaches; I propose only one approach. Today I submitted an amendment covering the mildest one I possibly could propose, and I hoped I would get some support for it.

It is clear that there are abuses in this program, and that they must be corrected. So I shall ask the Senator from Florida to be sure to conduct at an early date hearings on my bill.

Mr. DOMINICK. I appreciate the comments of the Senator from Ohio. I believe this interest problem is perhaps the largest one that those who are in all-out opposition to the REA's may have. I have said before, and I repeat, that I believe the REA's have done a good job in doing what they are supposed to do in providing electricity to the farm areas. I also believe they should have an opportunity to expand; but I believe that must be kept within the limits, and should not be subsidized in the way these interest rates do. The longer we continue the 2-percent interest rate, the more ammunition we give those who would like to see the extinction of the REA's. It is for this reason that I am going to join in pushing for hearings, as soon as we can get them, before the Agriculture Committee, so we can get the facts and can find out what an increase in the interest rate would do in the way of decreasing the burden on the taxpayer, and also whether it would actually impose injury and hardship on the REA's.

Mr. President, I yield the floor.

Mr. JAVITS. Mr. President, I submit the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be read.

The LEGISLATIVE CLERK. On page 33, in

line 2, it is proposed to delete the period and insert a semicolon and the following:

Provided further, That no part of the funds appropriated under this title for the Farmers Home Administration shall be used in any State in which the participants in, or beneficiaries of, the programs of the Farmers Home Administration are segregated, or otherwise discriminated against, on account of race, creed, or color.

Mr. JAVITS. Mr. President, for the information of Senators, let me say that I believe I can finish what I have to say about this matter in about 10 minutes; and from what I know will be the procedure, I believe we shall most likely be ready to vote very soon thereafter. I shall seek a yea-and-nay vote on whatever motion is made with respect to this amendment.

The policy I have followed in connection with amendments of this character is two-fold:

First, I have sought to ascertain the basic facts before offering such amendments. I have not just moved in a kind of broadsword way; but I have sought the basic facts.

Second, I have first sought corrections through the departmental agencies concerned.

Third, I have not offered such amendments unless I felt the case was really so much in point that it deserved the attention of the Senate.

This amendment is directed to the Federal Farmers Extension Service, which seems to me to be a glaring example of what is occurring in the Federal Government in connection with use of the taxpayers' money for the purpose of supporting segregated Federal-State programs.

If it be said that I have submitted such amendments fairly frequently—not too frequently, but fairly frequently—I can only respond by saying that—unhappily and unfortunately for our Nation, and unfortunately for its tranquility, in terms of the terrible and troublesome developments in cities such as Birmingham, mainly in the South, but also in other parts of the Nation—in an unhappily and unfortunately large number of instances the taxpayers' money is being used directly to support segregation.

Mr. President, that is a situation which it is my tragic duty to report. It is also our duty to endeavor to correct it.

Let us look at the Federal Extension Service program. It is the U.S. Department of Agriculture's administrative arm in a State, county, and Federal educational system. That system results in the the cooperative Extension Service, which carries to farmers, farm families, and farm youth a wide range of activities and information designed to enable rural people to live better and to be more successful farmers. It operates or guides the 4-H Club movement and, indeed, the 4-H Clubs, with which we are all familiar, receive extensive assistance from the Federal Government through funds for educational materials and even for the payment of salaries of its staff members.

The Federal Extension Service has two bases. At one side is the land-grant college, from which it derives educational materials, inspiration, ideas and teaching techniques.

On the other side is the very large constituency of the 4-H Clubs, through which a good deal of the extension work is done. In the center is the channel of funds in which State and Federal funds are mingled for the purpose of carrying on this work.

Mr. President, what happens? In the Southern States, where a social pattern of segregation exists, we find separate Negro county agents for the Negro farmers and white county agents for the white farmers. That is true to such an extent that there is even a title in quite a few places of "Negro County Agent."

I shall not even go into the details of the alleged differentiation in compensation for Negroes and whites who hold those positions, or the fact that it is claimed—and probably with good cause—that a great deal more service is given, or a great many more people are concerned in serving the white farmer, or that the people serving the white farmers have greater competence, and so forth. It is adequate for the purpose of the present debate, for the motion which I am making to amend the bill, and for my giving of the basis for amending the bill to state that there is a segregated county agent structure in respect to the Federal Extension Service.

Interestingly enough, in the present case it is based upon a segregated pattern at each end, that is, in respect to the land-grant colleges and in respect to the 4-H Clubs. In respect to the land-grant colleges, let us remember that those were organized under the Morrill Act. The Morrill Act is one of two laws on the Federal statute books which still provides, notwithstanding the fact that it is unquestionably unconstitutional, for separate but equal facilities. The Hill-Burton Act and the Morrill Act so provide. It will be recalled that when the President sent to the Congress his civil rights message, he specifically asked that that provision of the Morrill Act be repealed. So we are dealing at one end, in the places where there is a segregated society, with segregated land-grant colleges. At the other end we are dealing with segregated 4-H Clubs, notwithstanding the fact that the membership of the 4-H Clubs, in round figures, is something like 2 million to 2,300,000, of whom about a million and a quarter are in the Southern States.

The 4-H Clubs in the South are completely segregated. Indeed, at the national convention the South sends white clubs only, and the southern Negro clubs must hold their own convention.

We are providing approximately \$70 million in the bill for the Extension Service. It seems to me, therefore, that this question must urgently be raised. I point out, too, that the Agriculture Department is one of the two agencies of the Government—the other being the Department of Health, Education, and Welfare—from which it has been impossible to get a response as to the policy which is being pursued in State-aided programs. I speak in unmeasured terms of condemnation and criticism of a Government department which will not even show its hand in respect of what is being done in these programs, leaving us to find out about them through any of

the indirect means available to us. The very least such a Government department should do would be to tell us authoritatively what it is actually doing, and account for it to the public, and stand up for the way it construes the law.

Most Government departments have taken the position affirmatively that they have the power under the Constitution to deny funds to segregated State programs.

Apparently two departments—HEW and Agriculture—do not wish to so state. That leaves us with no alternative except to try to do something when we have an opportunity to do it in the Congress.

These exercises are not fruitless by any means. It will be recalled that earlier this year I made a similar motion with respect to a bill relating to the Farmers Home Administration. The motion was tabled by a vote of 47 to 38 on May 1, 1963. I am very glad to say that there has been some easing in that situation. That is the reason I have not moved on it today. Some Negroes have been introduced at the State and county level—very few—but something is happening.

I point out also, that in respect of the elementary matter of segregation at airports, we were successful, because we fought the battle in amendment after amendment, notwithstanding tabling and notwithstanding defeats.

The conscience of the country is truly affronted at evidences of appropriation of Federal money for State-aided programs, in which State-aided programs there is a clear pattern of segregation. They are revealed to the Nation and laid bare in all the inequity and injustice which they represent.

One further point. It seems to me that for years the Congress has been averting its eyes from something which those like myself have been pointing out time and time again, namely, the grave dangers of civil unrest which are present in the racial situation. We are contributing directly to that unrest by perpetuating this injustice. If we will not give people who feel deeply aggrieved relief by legislation—legislation as obvious as the kind of legislation proposed, in which we are dealing with Federal money which is being used for purposes of perpetuating segregation—what do we expect people who have been aroused, as the American Negro has been aroused, to do? Of course, the Negro will go out in the streets, as he is doing now.

Our timetable—and I repeat an argument I have made time and again—on the entire civil rights field of legislation is calculated to bring about civil disorder, rather than to avoid it.

Mr. CASE. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. CASE. I commend the Senator from New York for his careful, thoughtful, considerate, and conservative attitude on these subjects. It is his initiative which to a very large measure has sought and is now succeeding in puncturing the sophistical argument of those who say that amendments of the type proposed are designed in effect to take away from the Negroes themselves the

benefits of the programs with which we are dealing. That argument no longer can sound in commonsense, insofar as excusing a vote against this sort of amendment is concerned. I predict that because of the attitude of the Senator from New York, responsible in the highest degree, in very large measure we shall attain effective legislation in civil rights at the present session of Congress.

Mr. JAVITS. I am very grateful to the Senator for his kind statement.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. KEATING. I join my friend, the Senator from New Jersey, in paying tribute to the leadership of my colleague from New York in this area. The problem has been before us time and again. I shall continue to join in every effort to eliminate segregation from every Federal program. It is unconscionable, in my judgment, to use money collected from the pockets and pay envelopes of every taxpayer in order to subsidize programs and facilities, the use of which is denied to some of our citizens.

One of these days the effort to kill such a proposal by tabling it will fail. It has been a matter of regret to me that tabling motions have so consistently been made, and that the efforts to eliminate segregation from programs in which Federal funds are used have to date been unsuccessful.

I admire the persistence and determination of my colleague from New York. I shall certainly support him.

As I understand the amendment offered by my colleague, it is directed to the appropriation for the Federal Extension Service. The \$2½ million which is to be provided is for assistance, in part, to the county extension services in various States. Is it the understanding of my colleague from New York that a portion of these funds for the county extension services will be expended for encouraging the work of the 4-H Clubs?

Mr. JAVITS. That is exactly correct. I invite the attention of my colleague to the fact that we are not talking about \$2½ million, but about \$70 million. That appears on page 13 of the report under the heading "Extension Service." My colleague referred to only one part.

Mr. KEATING. The amendment is directed to which figure?

Mr. JAVITS. My amendment is directed to all parts of the appropriation.

Mr. KEATING. The amendment would appear where?

Mr. JAVITS. At the end of the entire provision, which is at page 10. The amendment would be inserted at page 10, line 3.

Mr. KEATING. It relates to the entire section on the Extension Service.

Mr. JAVITS. That is exactly correct, to the \$70 million appropriation.

Mr. KEATING. There is an appropriation for the Federal Extension Service, which is \$2½ million.

Mr. JAVITS. The funds for the Federal Extension Service represent a portion of the aggregate of assistance which is to be rendered under this heading.

Mr. KEATING. That is my understanding.

Mr. JAVITS. That is correct.

Mr. KEATING. I believe it is accurate to say that the aid to the 4-H Clubs comes under the \$2½ million appropriation, under the Federal Extension Service.

Mr. JAVITS. That is my understanding, also.

Mr. KEATING. This impresses me as being peculiarly an area with respect to which funds should not be used to perpetuate segregation; namely, among our young people. We have all been visited by the 4-H Club members. They are fine young people who are doing excellent work.

My experience with the 4-H Clubs has been that this is one of our great American institutions which is improving the moral and spiritual fiber of our young people.

What an area in which to permit the perpetuation of a pattern of segregation. That is a bad example to set for fine young people who are in their formative years.

Again I congratulate my colleague for presenting the amendment. It will have my emphatic and enthusiastic support.

Mr. JAVITS. I am grateful to my colleague. I point out that the 4-H Clubs have a national conference. At the national conference, the 4-H Clubs from areas other than the South come with Negro and white delegates, whereas from the South the clubs have only white delegates. This is an impact made on our youth, that in this area the South has already seceded from the Union. That is the place from which there are only white delegations.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. AIKEN. I believe I have voted for all the amendments of this nature the Senator has offered, when they have been offered with respect to other bills. As I understand this proposal, if the adults of any State should violate the law in the manner in which the Senator has indicated, the children of that State would not be given the benefits of the 4-H Clubs; is that correct?

Mr. JAVITS. I believe that is overstating it. If they do not rate Federal support, they might still get it from their own States.

Mr. AIKEN. Is it children who perpetrate these crimes against various minority groups, or adults?

Mr. JAVITS. The fault in that case would not be the fault of the Federal Government; it would be the fault of the States which perpetuate segregation.

Mr. AIKEN. Exactly.

Mr. JAVITS. I point out to the Senator—for whom I have the greatest regard, as he knows—that this is exactly the problem faced in the school segregation cases. They close the schools. Is that the fault of the Court, which issued an order to enforce the Constitution for the benefit of the children? One might say that in that instance, too, the children are suffering. They are suffering only because their elders refuse to abide by the law of the land.

Mr. AIKEN. And if the "old man" commits a crime we should "lick the

kids"? Is that the way to handle the problem? Why not put the adult in jail, instead of taking it out on the children?

Mr. JAVITS. I could not subscribe to that policy. First, there is no attainer involved. There is no implication of guilt. That is why we do not punish a child for a crime of his parent. But the "fallout" in this situation, which the parent caused, would bring a disadvantage to the child. Unhappily in our society, this sometimes occurs. The greater wrong is the wrong of denying to any people in the United States fundamental justice.

Mr. CASE. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. CASE. It is seldom that I disagree with our colleague the Senator from Vermont.

Mr. AIKEN. I was asking questions.

Mr. CASE. If the Senator is not taking the position his questions would seem to indicate, no one will be happier than the Senator from New Jersey.

Mr. JAVITS. And the Senator from New York.

Mr. CASE. And, I am sure, the Senator from New York. I remarked earlier that this argument seemed utterly sophistical.

Is it an advantage to a child to be allowed to go to a segregated institution of any sort? Are we taking anything away from a child when we take from him the opportunity to go to a segregated 4-H Club?

Mr. AIKEN. A great many successful children have come from the northeast part of the country. They have gone to school in areas where perhaps nearly all were of one class of people.

I do not like to have a reference to "colored people" or to "this kind of people" or to "that kind of people." I think we should legislate for people, and not for various groups of people.

I would not say that the schools of New York and New Jersey had fallen down grievously in educating the young folks. The schools in those two States and California are supposed to be among the best schools in the country.

Mr. JAVITS. The schools have not fallen down in educating the young people. Unfortunately, the process of segregation has resulted in great numbers of Negro children being given less than the education they deserve as Americans, in addition to a feeling which has been inculcated in them of being something different, something of a lower order than other Americans. We are speaking of 20 million people in terms of population.

The essence of the civil rights struggle is that we cannot, as a nation, afford to harbor this vast constituency which has been separated from the others by the Nation's activities. I think that is really what is at stake, and that is really what the struggle is all about.

Mr. AIKEN. I do not segregate them in my mind. I do not like to hear people refer to "our people" and "Negroes," or perhaps "Hindus" or "Buddhists." When we keep referring to them as "colored people" or as "Negroes" that is

segregation in itself. That is the most conspicuous type of segregation.

Mr. JAVITS. Referring to them as such, or not doing so, will not dispel what is occurring in numerous cities in the country. It will not dispel the segregated county farm agents, the segregated schools, the segregated stores, or hotels or anything else.

The fact that we do not refer to it will only make the Negroes think they have no friends at all, and force them to take the law into their own hands if we do not help.

Mr. AIKEN. Mr. President, in my county there is a Negro principal in the high school. How many Negro principals are there in New Jersey or New York? There is one in my county, and he is an excellent principal of a small high school.

Mr. CASE. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. CASE. I do not happen to have the figures on this question, but I know that the number of colored teachers in New Jersey are increasing. Yet I think it would be undesirable to have a count, if one wants to use that word, because equally with the Senator from Vermont, I think it should not be done on that basis. It is a most unusual situation to see the Senator "steamed up" because it might be interpreted that he is being prejudicial, when we know that he is not.

Mr. AIKEN. All I said is that we should stop thinking of people as Hindus or Presbyterians or Catholics or Negroes or Jews or Yankees, but think of them as people. Then we will get somewhere.

Mr. CASE. I think that is exactly the way we do it, but the fact that there are institutions in this country which force different treatment and force the consciousness of certain people the feeling that they are ostracized from American society is something we cannot close our eyes to. It does not happen in the mind of the Senator from Vermont. It does not happen in Vermont. But there are places where it happens, and we have the responsibility to see that the Federal Government and its resources do not contribute to the further practice or extension of it.

Mr. AIKEN. I would go much further in supporting adequate civil rights legislation to correct injustices than a good many other Senators would; but in the matter of the Senator's present proposal, I cannot go so far as to say that if a farmer is doing something wrong I will lick the kids.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. TOWER. Mr. President, I have consistently supported antidiscrimination amendments with respect to various Federal assistance programs. I have offered a number of them myself. But I should like to point out, in rising in opposition to the amendment of my distinguished friend from New York, that rural and urban situations are not analogous or comparable. We recognize in a great number of our regulatory measures, for example, that rural or agricultural and

urban or industrial, situations are not comparable and that they must be treated separate and apart.

So far as discrimination in rural situations is concerned, it is difficult to determine. I was born in the eastern part of my State, which is regarded as the "Old South" section of my State. As a boy I worked side by side with Negro field hands. I worked side by side with Negro tie cutters. I slept under the same roof.

There are segregated situations, but usually they are incidental and fortuitous, and not intentional. I do not see how some administrator could be given the power to determine whether or not there is actual, premeditated segregation in many rural situations. In some instances it is obvious, and perhaps that could be determined; but there are many cases in which it is not obvious, and in which one could not tell whether it was intentional, incidental, or fortuitous.

Having said I am opposed to the amendment of the Senator from New York, I say that I will also oppose the motion to table the amendment, which motion I think will be made, because a motion to table should be used very sparingly. I do not think such motions have been used sparingly. For a change, Senators should have the opportunity to vote on an issue on its merits. I implore the leadership not to make such a motion at this time.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. JAVITS. I yield to the Senator from Florida.

Mr. HOLLAND. The colloquy the the Senator has had with the distinguished Senator from Vermont covers pretty well the question of the 4-H Clubs. I wish to deal with something else, if I may. In my part of the country this important function of the Agricultural Extension Service, which really is to distribute education and information to the places where it is needed, is of greater importance to the Negro farmers than it is to white farmers. For example, in the matter of applying certain poisons in the production of cotton, which is necessary—I refer to certain dusts or sprays which are poisonous—the Extension worker, the county agent, whether he be white or black, serves people of both colors, and the educational knowledge he provides is of vastly greater importance—I say this for the RECORD because I know it to be true—to the colored producer of many commodities, particularly edible commodities. The course followed by the adoption of this amendment would be to cut off that most valuable schooling in modern agricultural production because that is about all the schooling that comes to those farmers after they are grown.

Furthermore, the adoption of the amendment would cut off the funds through which the Home Demonstration Service functions. It has a function in the schools, and it brings most important education in connection with sewing, preserving, cooking, and so forth, to girl children of both colors. Naturally, it gets to them in the schools where they are and where they can be assembled.

The result of the adoption of the

amendment would be to cut off probably the most valuable information which goes to girl children of the Negro race, which reaches, along with similar information and education, white children who probably would have a better chance to get education along those lines in their own homes.

I do not believe the distinguished Senator has thought this matter through. It seems to me he is hurting not only the boys in the 4-H Clubs, whether they be white or black, but also the farmers and farmers' wives who receive so much education from the Agriculture Extension Service employees, whether they be white or black, and the girl children of the communities where segregation is followed as a necessary conformity to the pattern of life there. I do not believe the Senator means to accomplish that sort of result, but I call his attention to the fact that that would be the result he will accomplish. He would hurt the very people I know he wants to help.

I thank the Senator from New York for yielding to me.

Mr. JAVITS. I am grateful to my colleagues for their views, but it seems to me that all three Senators, for whom I have high regard, come to the same conclusion: They will be cut off. They will hurt children. They will hurt women. They will hurt those who need help. They will hurt field hands. Why will it hurt them? Because the State administrations, elected by their people, insist upon maintaining practices completely contrary to the Constitution of the United States and dangerous to public order and tranquility in the United States. That is why it will cut them off.

What does my amendment provide? It would do what the Senator from Vermont has said. It provides that the program shall not be carried out in such a way as to segregate or discriminate against anyone because of race, creed, or color. It provides that the program shall be colorblind.

What is being said to me now? It is being said that the amendment is color conscious, contrary to the Constitution of the United States, because it will hurt people, because certain authorities will insist on maintaining color consciousness, contrary to the laws of the United States.

Mr. COOPER. Mr. President, I should like to ask the Senator a question.

Mr. JAVITS. I yield.

Mr. COOPER. I do not have to tell the Senator my position on civil rights. As I understand the law, discrimination should not and ought not to apply in any activity that is financed by tax funds. Of course, the county agent is paid through tax funds, part Federal, part local, and part State. However, is a 4-H Club tax supported?

Mr. JAVITS. The 4-H Club gets certain benefits from the taxpayers' money. I did not base my amendment upon that score. I only said that that is the system. The Federal extension system is based, on the one hand, on the land-grant college, which has the separate-but-equal provision, which is completely

archaic and unlawful, and on the other hand on the tremendous constituency of the 4-H Club, which reflects the pattern of segregation that is found in the administration of the program.

Mr. COOPER. Does the Senator's amendment go to the 4-H Clubs?

Mr. JAVITS. No; it does not. The only thing my amendment goes to is the utilization which is made in the paying of salaries or the furnishing of materials with respect to the use of public money.

Mr. COOPER. The Senator means with respect to 4-H Clubs?

Mr. JAVITS. If the 4-H Club has a secretary who is getting his salary partially paid by Federal funds, and the secretary is engaged in an activity which is segregated, then the result of my amendment would be to deprive the club of that secretary, if they insisted on proceeding in that way. That is the practical effect of the amendment. It would not put the club out of business.

Mr. COOPER. I agree with the Senator in every case where there is discrimination in an organization which is supported in whole or in part with tax funds. Is a 4-H Club supported by tax funds? I do not believe so.

Mr. JAVITS. I do not think so.

Mr. COOPER. I am asking these questions to get the Senator's reaction. If we were to say to the county agent that he cannot give his assistance to a 4-H Club because it may be segregated, why could we not extend it and say that he could not give it to a group of farmers because they might meet in segregated groups? The 4-H Club is a private group.

Mr. JAVITS. My amendment would not reach the 4-H Club and put it out of business. However, if the county were running its services so that only a white agent would serve white farmers or a white 4-H Club, it could not use Federal funds to pay that particular agent unless it adopted a nonsegregated policy as to its agents. I have no desire or intention of reaching the club, which is a private agency. I could not if I wanted to, and I do not want to. My intention is only to reach the way in which a State runs the services which are paid for by State and Federal funds.

Mr. COOPER. Would the practical effect of the amendment be to deny any assistance to a private group because it happened to be segregated?

Mr. JAVITS. It would deny the use of a secretary or a county agent as part of a segregated system in the naming or operation of county agents. My amendment cannot reach a private club function.

Mr. COOPER. In other words, they cannot have segregation in the payment of county agents.

Mr. JAVITS. Yes, if that is what the Federal tax money is used for.

Mr. COOPER. I do not have to tell the Senator my position on civil rights. I can see some cases where we can get perilously close or beyond what the law is and what the situation is; and when we begin to reach into private associations, I really believe that there is some danger in pushing the case too far by the Senator.

Mr. JAVITS. I am not pushing the case one bit further than the case has already been made. The amendment would apply to whatever the 4-H Club got out of the segregated system. It would not affect the club except as the club might have a particular secretary or county agent serving it because the State would not reform its system, but I cannot see how that would affect in any way the capability of the club to carry out its private club function. There is nothing we could do to affect it. That should not be covered by requiring us to give services with taxpayers' money in carrying through a segregated system of services. That is a very clear line of distinction. I do not want it to go out of business.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. TOWER. Is it true that the separate but equal clauses in Federal assistance programs in the legislation that sets up the programs was voided by a decision of the Supreme Court in Brown against Board of Education of Topeka, Kans.?

Mr. JAVITS. The case of Brown against Board of Education dealt with desegregation in public schools. The Supreme Court has handed down a whole line of decisions in respect to any public activity or activity which is publicly affected, ranging from a lunch counter in a city-owned parking garage to railroad terminal restaurant to a municipal swimming pool to a public beach. Therefore one cannot pin this entirely on Brown against Board of Education, but rather on a whole pattern of Federal decisions.

Mr. TOWER. But those are the precedents?

Mr. JAVITS. Yes.

Mr. TOWER. The separate-but-equal clause in the Land-Grant College Act would be void, or is not now the law. Is that correct?

Mr. JAVITS. I believe it is completely unconstitutional. Certainly the Federal Government's policy should be against it.

Mr. TOWER. Has it been tested in the courts?

Mr. JAVITS. In terms of the Hill-Burton Act, for example, there are a number of court cases. It has been tested in the courts. I am drawing on my memory now, and there are many Senators who can correct me if I am in error. In the Brown case the Supreme Court expressly stated that it rejected the doctrine of Plessy against Ferguson, the separate-but-equal doctrine, and that it was no longer the law of the land. That settles that question, it seems to me.

Mr. TOWER. This provision could be voided by appropriate litigation. A Federal statute is not required to do it, according to the precedents laid down by the Supreme Court in pursuance of Brown against Board of Education.

Mr. JAVITS. It could be overturned by litigation. The fact is that we are paying out Federal money to support a practice which has been condemned by the courts as unconstitutional. That is where we must say "stop."

Mr. TOWER. But there is still recourse to the courts.

Mr. JAVITS. There is no recourse to the courts with respect to the appropri-

ation of money. The appropriation of money cannot be invalidated. Perhaps the system could be if it were possible to find a suitable party to sue. The money is still being appropriated. The two Departments, the Department of Agriculture and HEW, apparently believe they are required to pay out the money, whatever the State of the law.

Mr. TOWER. The point I am making is that by appropriate litigation relief could be achieved. There could be desegregation or the removal of discrimination in these programs, because precedents have been set.

Mr. JAVITS. Theoretically, that is true, if a party could be found who could be a proper litigant. I would have to examine the law to ascertain whether in this instance that could be done. In many cases, the courts will not necessarily consider a taxpayer or a beneficiary as a proper litigant to sue. But apart from that, we are dealing with thousands of counties. Thousands of individual suits would be required. But in this act we are passing out the money.

Mr. TOWER. Does it not occur to the Senator that if there had been considerable discriminatory abuse, an injured party could be found who would become a plaintiff in such a suit?

Mr. JAVITS. That is exactly what has happened in the school cases; yet the President has found it necessary to recommend that power be placed in the Attorney General to sue, because of the multiplicity and expense of such suits.

Mr. President, I think I have explained my proposal adequately. I understand there will be a motion to table. If enough Senators are in the Chamber, I ask for the yeas and nays on the motion to table.

The yeas and nays were ordered.

Mr. JAVITS. Mr. President, I should like to yield to Senators who wish to speak before the motion to table is made, since the motion, when made, would prevent further debate. Perhaps the movement would withhold his motion until other Senators who desire to speak have spoken.

Mr. DOUGLAS. Mr. President, I am not certain that the motion to table has been made. I hope it will not be made from this side of the aisle.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. JAVITS. I yield to the Senator from South Dakota.

Mr. MUNDT. I seek the floor in my own right. I think I have a right to the floor.

Mr. JAVITS. Of course.

RECOMMENDATION FOR FREE WORLD "TRADE-AID" CONFERENCE ON DEALING WITH RED BLOC

Mr. MUNDT. Mr. President, I desire to speak briefly and bluntly about a problem which is rapidly reaching a climax in America. It is the question whether we are to make a substantial change in our entire program of "trade-aid," so far as the cold war is concerned. This problem was precipitated by the sale of wheat by Canada to Russia and the consequent

chain reactions occurring in this country as a result of meetings being held all over town, even as I speak, to provide a new policy of trade written by administrative interpretation instead of by Act of Congress.

Therefore, I take the floor at this time to call upon President Kennedy to issue a call for an early conference, in Washington, of all the countries of the free world which are engaged in major exportation of either agricultural or industrial materials. I suggest that such a free-world "trade-aid" conference be held for the purpose of trying to formulate a workable, consistent pattern of trade with the Communist-bloc countries, and to determine the impact that a program of expanded trade with Russia, Cuba, Red China, and other Communist countries would have upon the mutual assistance and foreign aid programs to which the United States is today by far the most significant and sizable contributor.

In my opinion, such a conference should be called to arrive at a consistent, effective, and defensible program of common action in the areas of both trade and aid, since there is an obvious and realistic relationship between the two programs. Out of such a conference should come a better understanding of the position of each of the free nations where agricultural and industrial advancements are such that they have the capacity for substantial exports. Out of a conference should also come recommendations for congressional action and approval if any major changes are involved in such recommendations.

As have many others, I have been greatly disturbed by the implications growing out of the recent large-scale sales of Canadian wheat to the Soviet Union and its satellites, and the fact that a substantial shipment of this wheat is being paid for by the Communist government of Russia, but is being shipped to Castro's Communist outpost in Cuba. A great many persons have logically asked, on the Senate floor and elsewhere: "What implication does this have for our American agricultural programs and our laudable national policy of refusing to permit such shipments to the Communist countries of Russia, Cuba, or China?"

Some have suggested that the only recourse left to the United States is to abandon its policy of self-imposed restrictions against strategic exports to Communist bloc countries and to enter into an excited rivalry with other free countries trying to sell as much wheat, grain, and other supplies to the Communists as they will pay for in cash or with reasonable term credits. Some have implied that the Communists have so materially changed their creeds, their colors, and their challenges that it is now perfectly safe to utilize American exports to build up the strength and the economy of a pagan creed dedicated to the destruction of freedom and our ways of life. Others have suggested we sell whatever we have in surplus to any alien government which can purchase our supplies with cash, credit, or barter exchange and as a collateral action abandon our foreign-aid program, which has

now cost this country more than \$100 billion in its effort to strengthen the comparable position of the free world versus the Communist countries. Speaking for myself, I emphatically dissent from these alternatives and propose what I believe is a more logical and constructive procedure involving the conference I have recommended and a close, new look at the whole world picture of trade, aid, and cold war differences and techniques; this, in my opinion should be tried before such changes are made in our trade policies.

Obviously the United States, alone, cannot conduct an effective blockade of the Communist world nor provide an effective restraint of trade to prevent the Communist bloc's capacity to grow in strength and to intensify its attack upon free world concepts and territory. Likewise, we gain very little from attempts to restrict our own exports to such Communist countries as Russia, Cuba, and China if our associates in the free world insist on selling all they can for either cash or credit. Finally, it should be apparent that the threat of Communist war or Communist encroachment is not directed against the United States and the Western Hemisphere alone. Thus an international conference on the cold war aspects of both trade and aid would disclose for all free men to see the fundamental concepts of our free world associates in these closely related matters.

Should the United States be unable to induce other important free world exporters—or perhaps the great majority of them—to adopt our highly commendable self-imposed restrictions against trade with the Communist bloc or agreement upon a common set of trade standards to be applicable to all, a conference of this type would at worst make clear the futility of the United States, alone, trying to overcome, by its restrictions, the impact of the expanding and continuing trade by which others are strengthening the warmaking and the propaganda capacities of the Communists.

Clearly, if on the one hand we follow a policy of selling or trading to Communist countries the supplies they most badly need to maintain their capacity to threaten, intimidate, browbeat, or bribe the undeveloped countries and all other free and neutral nations and on alternate days each week maintain our program of extending economic and military aid to these same areas so they can better maintain their defenses and their freedoms against Communist threats, we will be following a policy which can lead only to national bankruptcy and to failure in our efforts to shore up the free world against Communist gains.

Our program of foreign aid is premised on the hope and expectation that by strengthening the economies of free nations, of the undeveloped areas, of friendly countries, and of neutral governments, we can encourage and help them to withstand Communist blandishments or bribery, as well as their military and economic brawn. We hope to maintain their comparable status against communism, so that they can slowly but surely develop their own resources for resistance and development. If we are now to engage upon a collateral program of trading with the Com-

munist enemies of these free, friendly, neutral or undeveloped countries, so that we steadily expand the strength of the Communist threat, equip its economy for more vigorous attacks upon these areas, and free it from the failure which its own system of government creates, we shall be serving to perpetuate and magnify *ad infinitum* the Communist threat to the free world.

From this, it would follow that we would either have to desert the free world entirely, and leave it to shift for itself without our economic and military support, or so greatly expand our own program of economic and military aid to friendly foreign countries that the impact of such a program on our national budget would be devastating and totally destructive to our own economy.

Thus, both the United States and the rest of the free world cannot "have it both ways" at once. Either we should decide together on an effective program for keeping the Communist menace in check, or we should revise entirely our concepts of foreign aid and mutual assistance.

Therefore, I urge the President of the United States to call promptly this International Free World Trade and Aid Conference before the Senate is called upon to act upon this year's foreign aid bill. We should know what foreign policy we propose to implement, before being called upon to appropriate more billions for programs which might run head on into conflict with a free world program of economic and military assistance to the Communist bloc through trade negotiations, cash or credit sales, or outright barter.

Our Government has for many years, and Congress has by repeated actions, frowned upon adopting a policy of expanded or unrestricted trade with Russia. Ever since the adoption of the Export Control Act of 1949 and the Battle Act of 1951, Congress has consistently opposed opening the channels of our exports to the Communist bloc. That prohibition was reiterated in the passage of Public Law 480, our surplus food disposal act, and in other legislative action, as well as by frequent riders, on appropriations bills, dealing with our program of foreign aid.

Yesterday, I attended a meeting of the members of the Foreign Relations Committee of the Senate and the members of the Senate Committee on Agriculture and Forestry. Representatives of the Departments of Commerce, Agriculture, and State were also present. A resumption of this meeting has been scheduled for the coming Tuesday afternoon at which we are told we shall enjoy the presence of the Secretary of Commerce Mr. Hodges, and the Secretary of Agriculture, Mr. Freeman.

At the meeting, I said that if it was going to be a meeting on high policy, involving the whole economic structure of the world and every ramification of the cold war, and if at the meeting we were going to decide upon new economic policies and methods of trading, certainly the very least we would do would be to have present the Secretary of State, Mr. Rusk, who, I hope, will be there on Tuesday afternoon, for I hope the Department of State has not turned over to

the Departments of Agriculture and Commerce the writing of the basic foreign policy of America.

Mr. PROXMIRE. Mr. President, will the Senator from South Dakota yield?

Mr. MUNDT. I am glad to yield.

Mr. PROXMIRE. I commend the Senator from South Dakota for raising the question of this wheat "deal" with the Soviet Union. Certainly it is a fundamental and very important question.

How can we tell whether such sales will strengthen the hand of the Soviet Union, unless we have the benefit of the judgment of the State Department and unless we have a careful analysis of the economic effects and the military effects of so enormous an amount of wheat—\$400 million worth from this country, and \$500 million worth from Canada—on the Soviet economy. It may be—I would not think it could be—but it may be that this is a sensible arrangement; but if we are to make such a decision, we should have the facts presented in exactly the way the Senator from South Dakota is requesting.

So I believe we should require the State Department officials to explain how, in their judgment, that will affect the economic position of the Soviet Union, and its political position in relationship to its satellites, because I understand that most of the wheat will be exported to the satellite countries of Eastern Europe. We must have this information if we are to make a decision in the national interest.

Mr. MUNDT. I certainly appreciate the comments of the Senator from Wisconsin. He is correct. I point out that while most of the debate on yesterday related to wheat, the cat is really crawling a lot farther out of the bag, for in addition to the proposals to sell wheat, now we hear proposals to sell corn, soybean oil, and fats and hides. And then, of course, the commercial sector of the economy will be thinking in terms of sales of machine tools, and the petroleum industry will be thinking in terms of the sale of oil.

No Senator believes for 1 minute that if the avenues of trade are opened up to unrestricted sales of the farm products of America to Communist countries, the industrial sector of our economy will be content to continue to accept the embargo on exports of its products to Communist countries.

Recently we witnessed a salutary act by representatives of the German Bundestag. They—representing the citizens of Germany—voted against the export of oil pipe to Communist Russia. Be it said to their credit, they faced the facts of the cold war.

Unhappily, our British cousins, who sensed a chance to "make a quick buck" in this sort of trade, then picked up the contract the Germans rejected, and shipped the oil pipe to the Communists.

Mr. President, I would not take the floor at this late hour and insist on making my presentation now, except for the fact that this meeting will be called next Tuesday afternoon; and the indications to us are that by means of some sort of judicial or legislative manipulation or

legerdemain, the bureaucrats hope to find a legal way to do this without obtaining congressional sanction and approval.

In all sincerity, I submit to the Senate that at this time of crisis, the ramifications and repercussions of the decision to be made on the whole concept of the cold war and the whole concept of trading with the Reds will be far more serious in terms of world peace than the Senate vote this week on the test ban treaty. We must think this question through. We must consider it in its context. We cannot expect the taxpayers to continue to pay more and more and more and more for a multi-billion-dollar foreign aid program to protect countries against the Red threat if we proceed, by means of our trade policies, to help it to become larger, stronger, and more dangerous.

As the Senator from Wisconsin [Mr. PROXMIRE] has properly stated, we must have some consistency. Yesterday, at the conference in the Foreign Relations Committee, I was somewhat appalled by the tenor of the presentation made by those representing the executive agencies. They appeared to be seeking evidence and congressional support to enable them to determine that, under existing legislation, it would be legally possible to open the channels of this trade, even when it relates to subsidized farm products—with the result that the taxpayer would, in fact, be paying a part of his taxes to permit Russia to buy our grains at reduced competitive world prices. I suggested there, and I repeat here, that if it is deemed prudent and proper to make this substantial change in our foreign policy, this change should be made and approved by Congress, not by lesser officials of this administration, or under the guise of a legal interpretation written by some nonelected lawyer in a Government office.

We must consider the effect on the foreign aid program—which perhaps should be brought entirely to an end—if we are going to proceed, in a dizzy circle, not to give real aid to our friends, but to fatten the hand that threatens them.

What kind of international idiocy are we considering? I make a plea for consistency, leadership, and logic in these arrangements.

The Secretary of State, if he is a party to this movement, should be at the meeting on Tuesday in Washington in the office of the Foreign Relations Committee. If a change of the importance which I described is contemplated, it should come to us in a legislative form for approval or rejection. Before a decision is made the freedom-loving countries of the world which are in the export business should be called together to see whether the entire problem cannot be rethought and rewritten, because of the growing trade of Canada, England, and other countries with Red Russia, in order to make the program consistent. The far-flung ramifications of the proposed changes in our American foreign policy vis-a-vis the Communist countries are of such importance that I submit that the elected representatives of the people speaking in Congress should be heard, and decisions should be made at the executive level. They

should not be made by some lawyer in a swivel chair saying, "I have found a legal loophole to indicate Congress did not mean what it said in bill after bill and rider after rider on appropriations bills. It is in a preamble. It is in an amendment. They do not mean what they say."

Let us find out. Congress is here. It can act expeditiously. We deserve to be consulted.

Mr. President, before capitulating to the inconsistent and unworkable policies adopted by nations now seeking to enjoy both the economic advantages of an expanding trade with Russia and at the same time the protective armament of our American economic and military programs extended to some 100 countries scattered throughout the world, we should try something better. We owe that much at least to those who hold out such high hopes—President Kennedy, President Eisenhower, President Truman, Secretaries of State, Members of Congress—that the \$100 billion that we have already expended in those programs could buy something better than surrender to the concepts of countries blinded by "cash register consciences," whose desire for profit prompts them to promote trade programs destructive to the world's freedom which our unselfishness has built.

The decision is not one that should be made at any level of the executive departments from the President on down, because it involves the safety, security, and survival of the free world. If we go into this wholesale trade all across the board, we shall nullify in advance every conceivable contribution that our foreign, military, and economic aid programs can provide, because we will increase the strength to intimidate those we are trying to help.

Speaking for myself, I do not think that such significant and far-reaching changes should be made until the President or his appointed representatives have met in a global conference with the other free countries of the world engaged in the exportation of agricultural and industrial goods in an effort to devise a program which is consistent and effective, and would not kill itself off because it is moving in both directions at the same time.

I quite agree with those who have said that the United States alone cannot undertake or underwrite a program of economic isolationism of Communism. Of course not. If we are the only country that will maintain restrictions and impositions, of course, we should consider a change of our trade policy. But in changing it let us also consider its impact upon our foreign aid policy. If we surrender on the one front, we had better find a new foreign policy, because we cannot manufacture enough dollars in America to make the free world strong enough to protect itself against the Communist bloc that we continue to feed and support for greedy dollars.

Mr. President, I close where I began. I do not know what kind of trade program we should have for American wheat, but I know that we cannot consider it as an isolated factor. It is related to what we will do with all the other products of the American farms

and the other products of American factories. It is related to the foreign aid program, to our overall concept of the cold war, and our American attitude toward communism. There may be some who think that communism has changed so much that we should embrace the Communists as cousins and treat them as though they were Canadians or Mexicans. If so, I part company with those who have arrived at that enthusiastic conclusion; and I pray and hope that our American leadership and our American prestige will be such that at the type of international conference which I have proposed that the President should call, a better, more consistent, more constructive and effective approach to the problems of the cold war can be conceivably arrived at than what we are considering to do by patchwork changes in the program by executive action right now. If we can do no better than that, the future for world peace and human freedom is far from bright, and we shall secure few dividends from the happy hopes of Senators who voted for the test ban treaty on the floor of the Senate this week.

DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATIONS, 1964

The Senate resumed the consideration of the bill (H.R. 6754) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

Mr. HUMPHREY. Mr. President, I now move to lay the amendment of the Senator from New York [Mr. JAVITS] on the table.

The PRESIDING OFFICER. The question is on the motion of the Senator from Minnesota. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Nevada [Mr. BIBLE], the Senator from Virginia [Mr. BYRD], the Senator from Nevada [Mr. CANNON], the Senator from Connecticut [Mr. DODD], the Senator from Alaska [Mr. GRUENING], the Senator from Michigan [Mr. HART], the Senator from Indiana [Mr. HARTKE], the Senator from Washington [Mr. JACKSON], the Senator from Washington [Mr. MAGNUSON], the Senator from Montana [Mr. MANSFIELD], the Senator from Wyoming [Mr. McGEEL], the Senator from Montana [Mr. METCALF], the Senator from Oregon [Mr. MORSE], the Senator from Utah [Mr. MOSS], the Senator from Oregon [Mrs. NEUBERGER], the Senator from Rhode Island [Mr. PASTORE], and the Senator from Tennessee [Mr. WALTERS] are absent on official business.

I also announce that the Senator from California [Mr. ENGLE] is absent because of illness.

I further announce that, if present and voting, the Senator from Alaska [Mr. GRUENING], the Senator from Wyoming [Mr. McGEEL], and the Senator from Virginia [Mr. BYRD] would each vote "yea."

On this vote, the Senator from Nevada [Mr. BIBLE] is paired with the Senator from California [Mr. ENGLE]. If pres-

ent and voting, the Senator from Nevada would vote "yea," and the Senator from California would vote "nay."

On this vote, the Senator from Nevada [Mr. CANNON] is paired with the Senator from Connecticut [Mr. DODD]. If present and voting, the Senator from Nevada would vote "yea," and the Senator from Connecticut would vote "nay."

On this vote, the Senator from Montana [Mr. MANSFIELD] is paired with the Senator from Michigan [Mr. HART]. If present and voting, the Senator from Montana would vote "yea," and the Senator from Michigan would vote "nay."

On this vote, the Senator from Tennessee [Mr. WALTERS] is paired with the Senator from Rhode Island [Mr. PASTORE]. If present and voting, the Senator from Tennessee would vote "yea," and the Senator from Rhode Island would vote "nay."

Mr. DIRKSEN. I announce that the Senator from Colorado [Mr. ALLOTT], the Senator from Hawaii [Mr. FONG], and the Senator from Nebraska [Mr. HRUSKA] are absent on official business.

The Senator from Kansas [Mr. CARLSON], the Senator from Maryland [Mr. BEALL], the Senator from New Hampshire [Mr. COTTON], the Senator from California [Mr. KUCHEL], and the Senator from Iowa [Mr. MILLER] are necessarily absent.

The Senator from Wyoming [Mr. SIMPSON], the Senator from Colorado [Mr. DOMINICK], the Senator from Nebraska [Mr. CURTIS], the Senator from Utah [Mr. BENNETT], the Senator from Kentucky [Mr. MORTON], and the Senator from North Dakota [Mr. YOUNG] are detained on official business.

If present and voting, the Senator from Colorado [Mr. ALLOTT], the Senator from Utah [Mr. BENNETT], the Senator from Hawaii [Mr. FONG], the Senator from Nebraska [Mr. CURTIS], the Senator from Nebraska [Mr. HRUSKA], the Senator from California [Mr. KUCHEL], and the Senator from Colorado [Mr. DOMINICK] would each vote "nay."

On this vote, the Senator from Maryland [Mr. BEALL] is paired with the Senator from Iowa [Mr. MILLER]. If present and voting, the Senator from Maryland would vote "nay," and the Senator from Iowa would vote "yea."

The result was announced—yeas 46, nays 22, as follows:

[No. 176 Leg.]

YEAS—46

Alken	Hickenlooper	Muskie
Anderson	Hill	Pell
Bartlett	Holland	Prouty
Bayh	Humphrey	Robertson
Brewster	Inouye	Russell
Burdick	Johnston	Saltonstall
Byrd, W. Va.	Jordan, N.C.	Smathers
Church	Kennedy	Sparkman
Clark	Long, Mo.	Stennis
Eastland	Long, La.	Symington
Edmondson	McCarthy	Talmadge
Ellender	McClellan	Thurmond
Ervin	McGovern	Williams, Del.
Fulbright	McNamara	Yarborough
Gore	Monroney	
Hayden	Mundt	

NAYS—22

Boggs	Keating	Ribicoff
Case	Lausche	Scott
Cooper	McIntyre	Smith
Dirksen	McChesem	Tower
Douglas	Nelson	Williams, N.J.
Fuldwater	Pearson	Young, Ohio
Javits	Proxmire	
Jordan, Idaho	Randolph	

NOT VOTING—32

Allott	Engle	Metcalf
Beall	Fong	Miller
Bennett	Gruening	Morse
Bible	Hart	Morton
Byrd, Va.	Hartke	Moss
Cannon	Hruska	Neuberger
Carlson	Jackson	Pastore
Cotton	Kuchel	Simpson
Curtis	Magnuson	Walters
Dodd	Mansfield	Young, N. Dak.
Dominick	McGee	

So Mr. HUMPHREY's motion to lay on the table Mr. JAVITS' amendment was agreed to.

Mr. HOLLAND. Mr. President, I move to reconsider the vote by which the motion to table was agreed to.

Mr. HUMPHREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER FOR ADJOURNMENT TO MONDAY NEXT

Mr. DIRKSEN. Mr. President, I wish to make inquiry of the acting majority leader with respect to the time of convening on Monday and what the order of business will be.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until 12 noon Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATIONS, 1964

The Senate resumed the consideration of the bill (H.R. 6754) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, and for other purposes.

UNANIMOUS CONSENT AGREEMENT

Mr. HUMPHREY. Mr. President, in light of earlier discussion, I now ask that the clerk read for the consideration of the Senate the proposed unanimous-consent agreement. I may add that this matter has been discussed with the Senator from South Dakota [Mr. MUNDT], the minority leader, and other Senators who expressed interest in the bill. So if the clerk will read the proposed agreement, it will be before the Senate.

The PRESIDING OFFICER. May the Chair inquire as to whether the Senator from Minnesota asks that the quorum call be waived?

Mr. HUMPHREY. Yes; I ask unanimous consent to waive the quorum call.

The PRESIDING OFFICER. Without objection, it is so ordered.

The proposed unanimous-consent agreement will be read by the clerk.

The legislative clerk read as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective on Monday, September 30, 1963, at the conclusion of routine morning business, during the further consideration of H.R. 6754, the agricultural appropriation bill for 1964, debate on the Mundt amendment (No. 197) shall be limited to 3 hours, to be equally divided and controlled by Mr. MUNDT and the majority leader: *Provided*, That in the event the majority leader is in favor of such amendment, the time in opposition thereto shall be con-

trolled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said amendment shall be received.

Ordered further, That at the conclusion of debate on said amendment a yea-and-nay vote shall be taken thereon, after which the third reading of the bill shall be had.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 30 minutes, to be equally divided and controlled, respectively, by the majority and minority leaders.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. JAVITS. I did not understand that the Senator had intended to cut off any further amendments to the bill. Is that not unusual?

Mr. HUMPHREY. I asked if there were other amendments that were to be offered, and I was informed by the staff of the Senate, after having discussed the matter with Senators, that no further amendments were to be offered after this afternoon.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. HOLLAND. There are two small amendments, which I have discussed with Senators, that are intended to be offered. One is to be offered by the Senator from Connecticut [Mr. RIBICOFF], involving \$250,000, having to do with examination into the effects of insecticides upon human beings, animals, and plants, a subject which has been causing trouble; the other by the Senator from Vermont [Mr. AIKEN], providing \$1 million more in the new program established under the 1962 bill in connection with Federal land use, and the like, and marking the funds for technical services and planning.

If there be other amendments, I do not know of any. There are no others that I have agreed to take to conference. Now would be the time to explore the question as to whether there are others to be offered. I would not like to see any Senator precluded from offering any amendments. Yet I would like to have the arrangement the leadership on both sides, as I understand, has worked out, because there is other important business for consideration by the Senate, following the disposition of this measure, on Monday.

Personally, I would not be agreeable to setting aside this bill to take up anything else, because this is a very important bill. The Senate has spent a long time in debate on it. A long time was spent in preparing the bill. I think it is a reasonable request to make that action be completed on the bill before the Senate takes up other matters.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. STENNIS. I understand there is a proposed unanimous consent agreement before the Senate. Reserving the right to object—and I may object—I have a vital interest, along with other Senators, in the pending bill. I had to give attention to other matters which made it necessary for me to be absent from the Chamber. I had appointments for tomorrow and Saturday which I can-

celled because the bill was coming up, and I thought it was my duty to be present. I would object to setting the bill aside.

Mr. HUMPHREY. The bill is not being set aside.

Mr. STENNIS. I would like to proceed in the regular way, but I also would like to accommodate other Senators. As I understand, all committee amendments have been disposed of, and all amendments not made by the committee have been disposed of. Is that correct?

Mr. HUMPHREY. Or will be disposed of this evening, other than the Mundt amendment.

Mr. STENNIS. May I inquire if there are other amendments? If there are other amendments, I would like to know about them, under the circumstances.

Mr. JAVITS. Mr. President, if the Senator will yield to me, as I raised the question, perhaps I can help.

Mr. HUMPHREY. I yield to the Senator from New York.

Mr. JAVITS. Naturally, I will not upset what the leadership has done with respect to this measure, but I would like to serve notice, with all humility, that I will object to any unanimous-consent agreement on a bill which does not preserve the right to offer amendments, though the time is limited.

Mr. HUMPHREY. I thank the Senator for his cooperation.

Mr. STENNIS. Mr. President, this proposed unanimous-consent agreement provides that no other amendment except the Mundt amendment will be considered. Is that correct?

Mr. HUMPHREY. That is correct.

Mr. HOLLAND. Mr. President, that does not preclude the offering of the two amendments I mentioned.

Mr. HUMPHREY. I referred to Monday. We intend to complete action on the two amendments which will be before the Senate, the Ribicoff and the Aiken amendments, tonight.

Mr. STENNIS. I have no objection.

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement?

The Chair hears none, and the unanimous-consent request is agreed to.

Mr. AIKEN. Mr. President—

The PRESIDING OFFICER. The Senator from Vermont.

Mr. AIKEN. I send to the desk an amendment.

Mr. HOLLAND and Mr. CLARK addressed the Chair.

Mr. CLARK. Mr. President, who has the floor?

The PRESIDING OFFICER. The Chair recognized the Senator from Vermont.

Mr. HOLLAND. Mr. President, will the Senator yield to me?

Mr. AIKEN. I yield to the Senator from Florida.

Mr. HOLLAND. Mr. President, I ask, as a matter of consideration, that the two Senators who have these two small amendments, which I think the committee will take to conference—at least I am willing to take them—to be allowed to be heard briefly, so they can be passed on tonight, and they will not lose that privilege by reason of the unanimous-

consent agreement, when the Senate convenes again Monday.

Mr. AIKEN. Mr. President, last year Congress directed and authorized the Secretary of Agriculture to inaugurate a program for resources conservation and development. It is a program to provide for Federal cooperation with State and local bodies in developing practical plans for land conservation and land use. It will make possible the orderly development, improvement, conservation, and utilization of a given project area in such a way as to provide employment and other economic opportunities for the people living in this rural area.

On the authority and directive by Congress, the Department of Agriculture has gone to work, and they now have applications from 16 areas in 13 States, I believe, and applications are about ready in 10 other States for these pilot projects, relating largely to the conversion of borderline farmland to other more useful purposes.

The amendment I offered will give them money enough so that they can handle the investigation and planning in cooperation with the local or State bodies. There would be provided \$365,000 for project investigation and planning, and \$635,000 for technical assistance. These projects are sponsored largely by soil conservation districts, in some cases by communities.

The PRESIDING OFFICER. Does the Senator offer his amendment at this time?

Mr. AIKEN. I offer my amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 14, lines 7 and 8, delete "\$1,200,000" and substitute "\$2,200,000".

Mr. HOLLAND. I wish to make it clear that this amendment merely restores in part a sizable reduction from the budget estimate which was accomplished both by the House Committee and our committee. We cut the requested amount of \$6,275,000 to \$1,200,000. The amendment would add \$1 million, or make a total of \$2,200,000.

Mr. AIKEN. The remainder was for loans. My amendment does not carry anything for loans.

Mr. HOLLAND. I am willing to take the amendment to conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. CLARK. I have been waiting for 4 hours to make a very brief germane speech on the pending bill. I am perfectly willing, as a matter of senatorial courtesy, to yield to the Senator from Connecticut at his request, in order that he may propose his amendment.

I thank the Chair for having recognized me, because I spoke first. I am sure the Senator from Connecticut will be brief. I ask unanimous consent that I may yield to the Senator from Connecticut, to permit him to offer his

amendment, which I am confident will be disposed of shortly, provided I do not lose my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, I offer an amendment.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 5, line 2, strike out "\$66,821,500" and insert "\$67,071,500".

Mr. RIBICOFF. Mr. President, we are about to approve an appropriation of \$6 billion. This bill includes over \$66 million for pest control activities. The amendment I offered would make available \$250,000 for the protection of people, fish, wildlife, and crops in connection with the use of pesticides. As a nation we can afford this small increase that will provide so much protection to so many.

The additional funds I recommend would be used to begin to meet a need which has been clearly highlighted in testimony before the Subcommittee on Reorganization in its study of pesticides. This is the need to follow up mass spray programs to assess any harmful effects and to consider the effectiveness and continued need of these programs. More simply put, we need to know whether these sprays are bad for the bugs and safe for people, animals, and crops or whether in some situations it is the other way around.

Of the total amount appropriated on line 2, page 5, of H.R. 6754—\$66,821,500—approximately \$16.7 million will be used to administer programs to control destructive pests, such as the fire ant, gypsy moth, Japanese beetle, grasshopper, bark beetle, and others. These programs are usually conducted cooperatively with the States and other agencies.

With regard to these programs, the recent report by the President's Science Advisory Committee made the following recommendation:

Provide, as a part of the operating budgets of Federal control and eradication programs, funds to evaluate the efficiency of the programs and their effects on nontarget organisms in the environment.

I have been informed by the Department of Agriculture that this recommendation cannot be carried out under the fiscal 1964 budget as it was submitted to the Congress. No request for such funds was ever made to the committee. However, data recently submitted to me in connection with the current study of pesticides by the Subcommittee on Reorganization and International Organizations indicates that the Department of Agriculture is aware of the problem. The Department informs me as follows:

Pest control programs should be more thoroughly evaluated to determine that they are being most effectively conducted with the least use of pesticides and with the least harm to nontarget beneficial insects or animal life.

My amendment would permit a modest beginning of such a review program. These funds would be used for—

First. Expansion of field survey operations to evaluate current treatment techniques and make modification as needed

for greater effectiveness and reduced residue hazards, especially on nontarget organisms.

Second. Expansion of methods improvement work, particularly on adaptation of biological control techniques, field tests for improving selective application techniques, screening nonpersistent chemicals for useful fieldwork.

Third. Initiation of field surveys to determine the impact of pest control and eradication programs on the area involved, including effects on wildlife populations, desirable insects—bees and predators—livestock and poultry, and so forth. These surveys would provide prompt means for detecting changes in an area which would require prompt adjustments of the planned program.

This additional \$250,000 will certainly not meet the entire need. But it will at least enable the Department of Agriculture to make a start on vitally needed activities.

With the huge amount of funds we are now spending to spray these pesticides all over the country, we can surely afford to spend this modest amount to assess any harmful adverse effects and make the kind of evaluation that is necessary to test the worth of these spray programs. This is cheap insurance against hazards we do not yet fully understand.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield, with the understanding that I do not lose my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLAND. As I have already stated, I shall be happy to take the amendment to conference, if it be the will of the Senate that I do so.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. CLARK. Mr. President, I understand that my friend from Alabama [Mr. HILL] has a conference report which he believes he can dispose of very promptly. I ask unanimous consent that I may yield to him for the purpose of his bringing the conference report to the Senate, with the understanding that I do not lose my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENTS OF LABOR, HEALTH, EDUCATION, AND WELFARE, AND RELATED AGENCIES APPROPRIATION BILL, 1964—CONFERENCE REPORT

Mr. HILL. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5888) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1964, and for other purposes. I ask unanimous consent for the immediate consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report. (For conference report, see House proceedings of Sept. 25, 1963, pp. 17119-17120, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. HILL. Mr. President, the conference agreement on the bill provides total appropriations of \$5,471,087,500, a reduction of \$288,401,500 from the budget estimates; a reduction of \$24,739,750 from the amounts allowed by the Senate, and an increase of \$21,106,500 over the amounts allowed by the House.

The conference agreement will provide \$350,078,000 for the Department of Labor, a reduction of \$77,141,500 from the budget estimates. The estimate for the item "Manpower development and training activities" was \$165 million, for which the House allowed \$140 million, and the Senate \$110 million. The Senate allowance was agreed to, inasmuch as there was no disagreement over the fact that our allowance was quite adequate under the provisions of the present law. The conferees agreed that if the law is amended postponing the matching requirement for fiscal year 1965, as provided in a bill passed by the Senate, or if there develops a further need for funds for any reason, a supplemental request should be presented to the Congress.

The conferees accepted the Senate amendment to allow \$425 million, out of the unemployment trust fund, for "Grants to States for employment service and unemployment compensation administration," for which the House had allowed \$350 million. The conferees agreed on a provision to make not more than \$1,100,000 available out of the 1964 appropriation for the payments of obligations incurred in the final few days of fiscal year 1963.

The House had allowed \$9 million for "Area redevelopment activities"; the Senate \$8 million, and the conferees agreed on \$8,500,000, to provide the approximate amount used during fiscal year 1963.

The conferees accepted the Senate amendment providing \$150,000 for "Trade adjustment activities" in lieu of the House allowance of \$4 million, and the budget estimate of \$7,635,000. Recent developments indicate that there is no reason to anticipate the need for any funds for training or for readjustment allowances in fiscal year 1964.

The conferees agreed on the House allowances for the two items for the Mexican farm labor program, inasmuch as the budget estimates provided funds for the operation of the program through December 31, 1963, when the law will expire, and for liquidation costs thereafter. Funds are provided for the importation of the Mexican nationals under the terms of the international agreement, and for compliance activities in relation thereto, for the 6-month period.

The conferees accepted the Senate amendments making reductions in five items because the agencies added in fiscal year 1963 employees not allowed by the Congress. The following statement

is included in the statement of the managers on the part of the House:

The conferees will look with extreme displeasure on the establishment of any positions, under any appropriation to the Department, which have not been authorized by Congress.

For the Department of Health, Education, and Welfare the conference agreement totals \$5,090,904,500, a reduction of \$210,409,500 from the budget estimates, and a reduction of \$24,662,500 from the Senate allowance, and an increase of \$55,362,500 over the House allowance.

The conferees allowed \$119,000 of the Senate increase of \$323,000 for buildings for the Food and Drug Administration; and the addition over the House allowance will provide for the planning of district offices at Denver and Philadelphia.

The Senate amendment reducing the allowance for "Defense educational activities" by \$10 million for title III, which the Department had agreed was not needed, was accepted by the conferees, as was the amendment relating to the allotment of funds for the program of grants and loans for equipment and minor remodeling concerned with science, mathematics, and foreign language instruction.

The conferees agreed on the allowance of \$3 million of the Senate addition of \$5,020,000 for "Research and training, Office of Vocational Rehabilitation." Out of the funds allowed the agency may make developmental grants to schools such as Emory University presently lacking a fully developed nucleus for a special research and training center.

The conferees on the part of the Senate receded on the amendment proposing an additional \$1 million for research and training, special foreign currency program, on the basis of information received after action by the Senate on the bill to the effect that there was carried forward some \$2,425,000 into the current fiscal year from prior appropriations and that only approximately \$800,000 was obligated in fiscal year 1963.

The Senate conferees receded on amendment 25, which proposed a maximum salary of \$30,000 for certain Public Health Service scientific and professional personnel as I assured Senators a few days ago we would.

The amendment adding \$2,500,000 for construction of the regional water pollution control laboratory in Alaska, for which we had a budget estimate, was accepted.

The Senate amendment proposing \$1,441,000 for plans and specifications for an Environmental Health Center at Beltsville, Md., was not agreed to.

The conferees allowed \$3 million of the \$5 million added for initiation of the program to rid the infected areas in the United States, Puerto Rico, and the Virgin Islands, of the mosquito, *aedes aegypti*, the carrier of yellow fever, in accord with an international understanding among nations of the Western Hemisphere.

The conferees allowed \$1 million of the \$2 million added by the Senate, for the general health grant to States, so that the States will receive \$14 million

Departments of Labor, and Health, Education, and Welfare, and Related Agencies Appropriation Act, 1964, H.R. 5888—Continued

[Figures in parentheses not added in totals]

	Appropriation, 1963	Budget esti- mate, 1964	House allowance	Senate allowance	Conference agreement
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—continued					
Public Health Service—Continued					
National Institutes of Health:					
General research and services.....	\$159,826,000	\$164,674,000	\$163,869,000	\$164,674,000	\$163,869,000
Biological standards.....		4,787,000	4,787,000	4,787,000	4,787,000
Child health and human development.....		(34,000,000)	(34,000,000)	(34,000,000)	(34,000,000)
National Cancer Institute.....	155,742,000	145,114,000	144,340,000	145,114,000	144,340,000
Mental health activities.....	143,599,000	190,096,000	177,288,000	190,096,000	183,288,000
National Heart Institute.....	147,398,000	133,624,000	132,404,000	133,624,000	132,404,000
National Institute of Dental Research.....	21,199,000	19,809,000	19,689,000	19,809,000	19,689,000
Arthritis and metabolic disease activities.....	103,388,000	114,717,000	113,679,000	114,717,000	113,679,000
Allergy and infectious disease activities.....	66,142,000	69,226,000	68,723,000	69,226,000	68,723,000
Neurology and blindness activities.....	83,506,000	88,407,000	87,675,000	88,407,000	87,675,000
Subtotal, National Institutes of Health.....	880,800,000	930,454,000	912,454,000	930,454,000	918,454,000
Grants for construction of health research facilities.....	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
Scientific activities overseas (special foreign currency program).....	2,800,000	6,647,000	7,000,000	4,000,000	4,000,000
National health statistics.....	5,150,000	5,949,000	5,949,000	5,949,000	5,949,000
National Library of Medicine.....	3,335,000	4,074,000	4,074,000	4,074,000	4,074,000
Retired pay of commissioned officers, indefinite.....	(5,784,000)	(6,436,000)	(6,436,000)	(6,436,000)	(6,436,000)
Salaries and expenses, Office of the Surgeon General.....	5,850,000	6,091,000	6,091,000	6,091,000	6,091,000
Total, Public Health Service.....	1,514,859,050	1,597,884,000	1,546,058,000	1,628,158,000	1,608,723,000
St. Elizabeths Hospital:					
Salaries and expenses.....	6,332,000				
Salaries and expenses, indefinite.....		(9,736,000)	(7,354,000)	(7,354,000)	(7,354,000)
Buildings and facilities.....	8,095,000	627,000	627,000	627,000	627,000
Social Security Administration:					
Limitation on salaries and expenses.....	(286,398,300)	(322,125,000)	(317,900,000)	(317,900,000)	(317,900,000)
International Social Security Association meeting.....		95,000	88,000	95,000	91,500
Welfare Administration:					
Grants to States for public assistance.....	2,738,300,000	2,900,000,000	2,725,000,000	2,725,000,000	2,725,000,000
Assistance for repatriated U.S. nationals.....	467,000	500,000	467,000	467,000	467,000
Training of public welfare personnel.....		2,000,000			
Salaries and expenses, Bureau of Family Services.....	3,769,000	5,400,000	4,755,000	5,256,000	4,956,000
Grants to States for maternal and child welfare.....	76,705,000	87,000,000	86,943,000	82,943,000	82,943,000
Salaries and expenses, Children's Bureau.....	2,943,000	3,401,000	3,401,000	3,401,000	3,401,000
Cooperative research or demonstration projects.....	7,100,000	2,000,000	1,455,000	1,455,000	1,455,000
Office of Aging.....		545,000	545,000	545,000	545,000
Juvenile delinquency and youth offenses.....	5,810,000	13,200,000	6,700,000	6,950,000	6,950,000
Research and training (special foreign currency program).....		1,200,000		1,200,000	
Office of the Commissioner.....	735,700	1,025,000	1,025,000	1,025,000	1,025,000
Transfer from OASI trust fund.....	(435,100)	(602,000)	(554,000)		
Total, Welfare Administration.....	2,829,910,700	3,016,271,000	2,830,292,000	2,828,242,000	2,826,742,000
American Printing House for the Blind.....	739,000	775,000	775,000	775,000	775,000
Freedmen's Hospital.....	3,909,000	3,880,000	3,880,000	3,880,000	3,880,000
Gallaudet College:					
Salaries and expenses.....	1,478,900	1,697,000	1,697,000	1,822,000	1,822,000
Construction.....	1,065,000	2,919,000	2,919,000	2,919,000	2,919,000
Howard University:					
Salaries and expenses.....	7,935,000	8,819,000	8,819,000	8,819,000	8,819,000
Plans and specifications.....	86,000				
Construction.....	5,531,000	6,245,000	6,245,000	6,245,000	6,245,000
Office of the Secretary:					
Transfer from OASI trust fund.....	2,717,900	2,918,000	2,833,000	2,833,000	2,833,000
Office of Field Administration:					
Transfers.....	(1,637,750)	(1,337,000)	(1,337,000)	(1,337,000)	(1,337,000)
Surplus property utilization.....	849,950	950,000	950,000	950,000	950,000
Office of the General Counsel:					
Transfers.....	832,000	1,055,000	975,000	975,000	975,000
Educational television facilities.....	1,500,000	7,000,000	5,000,000	7,000,000	6,500,000
Total, direct appropriations, Department of Health, Education, and Welfare.....	5,173,485,600	5,285,162,000	5,021,752,000	5,101,777,000	5,077,114,500
Indefinite appropriations, Department of Health, Education, and Welfare.....	7,715,000	16,152,000	13,790,000	13,790,000	13,790,000
Grand total, Department of Health, Education, and Welfare.....	5,181,200,600	5,301,314,000	5,035,542,000	5,115,567,000	5,090,904,500
RELATED AGENCIES					
National Labor Relations Board.....	21,029,000	23,060,000	22,060,000	22,560,000	22,460,000
National Mediation Board.....	1,939,150	1,950,000	1,950,000	1,950,000	1,950,000
Railroad Retirement Board.....	(9,906,000)	(11,115,000)	(10,900,000)	(11,115,000)	(11,065,000)
Federal Mediation and Conciliation Service.....	5,195,300	5,940,000	5,540,000	5,740,000	5,690,000
Interstate Commission on the Potomac River Basin.....	5,000	5,000	5,000	5,000	5,000
U.S. Soldiers' Home.....	(6,272,400)	(6,622,000)	(6,622,000)	(6,622,000)	(6,622,000)
Total, direct appropriations.....	5,564,257,600	5,743,337,000	5,436,191,000	5,482,037,250	5,457,297,500
Total, indefinite appropriations.....	7,715,000	16,152,000	13,790,000	13,790,000	13,790,000
Grand total.....	5,571,972,600	5,759,489,000	5,449,981,000	5,495,827,250	5,471,087,500

Mr. HILL. Mr. President, I thank the distinguished Senator from Pennsylvania for his courtesy.

DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATIONS, 1964

The Senate resumed the consideration of the bill (H.R. 6754) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, and for other purposes.

Mr. CLARK. Mr. President, I speak in defense of the loan made by the Rural Electrification Administration on August 15, 1963, to the Valley Rural Electric Cooperative, of Huntingdon, Pa., for financing electric facilities of the Blue Knob Development Corp., of Altoona, Pa. This loan has come under indirect attack in the committee report on the agricultural appropriation bill, where on page 29, under the heading "Section V Loans," the statement is made:

The committee concurs in the recommendation in the House committee report that

the Administrator of REA should not make section V loans in competition with private sources of credit, or as a replacement or substitution for loan funds available under the Area Redevelopment Act, Public Law 87-27.

The loan with respect to which I speak was directly criticized by the distinguished Senator from Florida [Mr. Holland], who is in charge of the bill, and whose statement is reported in the third column of page 17084 of the CONGRESSIONAL RECORD for September 25. The Senator from Florida said:

The idea of making two loans for the purpose of installing ski facilities in areas

served by REA has not met with popular reception, either on the part of any member of our committee or, I think, on the part of the general public. I hope the REA Administrator will confine himself, in handling section 5 loans, to fields more nearly in accord with the purpose and intent of the act.

One of the loans thus criticized was the Pennsylvania loan made by the Valley Rural Electric Cooperative to the Blue Knob Development Corp., for ski tows and snow machines to be erected near Bedford, Pa.; in fact, north of Bedford and south of Johnstown, close to the boundary between Cambria and Bedford Counties. It is abundantly clear that section V of the Rural Electrification Act authorizes a loan of this sort for electric equipment without limitation to farm use. Therefore, there can be no question that the loan was legal.

More than that, in my opinion, the loan was wise. This was a combined loan made by the Area Redevelopment Administration in the amount of \$222,155, by the REA in the amount of \$110,000, and by a local development corporation composed of local businessmen, which put up \$40,000. The purpose was to create a recreational facility at the top of Blue Knob Mountain for ski recreational purposes. The direct result will be to create a substantial number of jobs in the area directly, and to create indirectly a large number of additional jobs.

Further, the ski resort to be built as a result of the loan will bring a large number of tourists into a depressed area in our State, an area where employment in the resort industry would be much to be desired. Accordingly, it occurs to me that this loan is the sort of loan which ought to be made not only by the ARA but also by the REA, where, as is the case here, the lines of the electric cooperative run very close to the location where the ski tow is to be built.

Efforts were made to attract private capital for this loan. They were unsuccessful. The ARA was unable to handle the loan by itself. The REA plus the local development company made it possible to conclude the transaction.

As one example of what the loan means, the Bedford Springs Hotel, one of the great resorts in Pennsylvania, a resort hotel with which many Members of this body are familiar, will now be able to remain open the year round and will cater to sportsmen who will come to ski as a result of the construction of the new facility built with REA and ARA loan funds.

The area of Bedford, running all the way up to Johnstown, in Cambria County, is among the most depressed areas in the whole of the Commonwealth of Pennsylvania. The little town of Beavertown, which is the closest settlement to where the ski facility will be erected, has as high a level of unemployment as any similar town in the State.

I regret very much that this kind of loan, which will bring jobs and tourists, and which will hold out the hope of bringing some economic prosperity to an area of chronic, persistent unemployment, should have come under criticism both indirectly in the committee report and directly in the speech of the Sen-

ator from Florida [Mr. HOLLAND], who is in charge of the bill.

I hope the ARA and the REA will make many more loans of this sort in the great mountain areas of Pennsylvania, whose principal hope for prosperity in the future lies in the creation of tourism and recreational facilities, and to capitalize on the gorgeous scenery and magnificent mountains, lakes, and streams of that area of Pennsylvania which is now in the grips of depression.

I ask unanimous consent to have printed at this point in the RECORD a letter directed to me, under date of September 20, 1963, by Mr. Norman M. Clapp, Administrator of REA.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF AGRICULTURE,
RURAL ELECTRIFICATION ADMINISTRATION,
Washington, D.C. September 20, 1963.

HON. JOSEPH S. CLARK,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CLARK: You have asked that I explain the statutory basis for the REA loan made on August 15, 1963, to the Valley Rural Electric Cooperative of Huntingdon, Pa., for financing electric facilities of the Blue Knob Development Corp. of Altoona, Pa.

The language of the Rural Electrification Act itself is entirely clear in authorizing loans under section 5 thereof for electric equipment without limitation to farm use. Section 5 authorizes loans for "electrical and plumbing appliances and equipment" for "persons in rural areas." Section 13 of the act provides the broadest possible definition of the term "persons" as including besides any "natural person" any "firm, corporation or association," and further defines "rural area" as including "both farm and nonfarm population thereof," without any limitation or qualification whatsoever. The term "person" appears similarly in the designation of eligible beneficiaries of section 4 loans and the long established REA practice of making loans for the purpose of serving commercial and industrial loads in rural areas, as well as agricultural loads, has been made known to and accepted by Congress since the earliest days of the REA program. Again, the term "equipment" as used in section 5 has been in numerous judicial precedents recognized as broadly encompassing machinery and implements of the most varied kind.

The use of the section 5 loan authorization for nonfarm, as well as farm, purposes is not only clearly consistent with the statutory authorization and longstanding REA administrative practice, but is an important and necessary means of strengthening the rural electric cooperatives so that they can attain the objectives of the Rural Electrification Act of area coverage, low cost and fully utilized power in rural areas. It is also an important aid in enhancing the Government's security interests and the assurance of continued repayment of the REA loans.

REA, as a matter of self-imposed policy and practice, uses its section 5 loan authority only where credit is not available under programs and only where it is not available from private sources on reasonable terms.

There is no reason whatsoever, either in law, economics or ethics, to stigmatize and separate recreational electric facilities in rural areas from any other electric facilities as proper means of load building and raising the levels of income and well-being in rural areas.

You have also inquired about the general justification for 2-percent loans. Section 5

of the Rural Electrification Act provides, as does section 4, for a specific interest rate of 2 percent. This interest rate, along with other provisions of the Rural Electrification Act, is necessary at the present time in order to counterbalance to at least some extent the current handicaps inherent in the effort to make electric service abundantly and reasonably available to rural people as it is to city people. Comparative basic statistics afford some measure of these handicaps. REA-financed systems average only 3.3 consumers to each mile of line as compared to 33 consumers per mile for the class A and B commercial utilities. REA-financed systems in 1960 averaged \$414 in annual revenue per mile of line compared to \$6,580 for the commercial companies. It must be remembered that the rural areas served by REA-financed systems represent what remains after the commercial utilities skimmed off the cream of the rural areas themselves. This resulted in the comparative isolation of and the lack of load diversity in many of the areas served by the REA-financed systems, involving additional major handicaps.

The 2-percent interest rate is merely, under current service conditions, a partial equalizer in the effort to match the availability and cost of electric service for rural people with that available to city people. The fact that the consumer on the lines of the REA borrower system still has to pay about 20-percent more for 250 kilowatts used in a month than the average city consumer is just one indication of the rural disadvantage. And even at the 2-percent rate, consumers on REA-financed rural systems pay 7.4 percent of their light bill for interest as compared to the 6.2 percent of the consumer's light bill dollar that goes to pay interest on the lines of the class A and B commercial utilities. This disparity, again, is a reflection of the smaller revenue base and higher cost factors borne by rural systems.

The 2-percent interest rate is just as important and necessary for section 5 electric appliances and equipment loans as it is for section 4 construction loans. Section 5 loans are a direct means of increasing loads and load diversity in respect of which, as the foregoing basic statistics demonstrate, the rural people are at such a serious disadvantage.

The REA borrower is required to charge on section 5 loan funds, which it relends, interest at the rate of 4 percent in order to cover its legal, accounting, and other costs in developing the loan application, dispensing the funds and making the collections and in order also to protect itself against risks of loss necessarily attendant upon loans for which other sources of credit have not been available.

Sincerely yours,

NORMAN CLAPP,
Administrator.

Mr. CLARK. I also ask unanimous consent to have printed at this point in the RECORD an article entitled "New Harvest for Farmers," written by William G. Weart, and published in the New York Times of September 1, 1963. The article amplifies the need for recreational facilities and comments upon the splendid effect which such recreational facilities have on job opportunities in depressed areas.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Sept. 1, 1963]
NEW HARVEST FOR FARMERS—CONVERSION OF
PROPERTY INTO RECREATION SITES PROVE
PROFITABLE

(By William G. Weart)

PHILADELPHIA.—Motorists on the move through rural America this summer have discovered a hinterland renaissance. Some-

thing different is going on down on the farm, and it has nothing to do with milking the cows, planting the corn, or pruning the orchard.

Under the stress of agricultural overproduction, and with a big boost from Uncle Sam, many farmers are finding it more profitable to cater to the city slicker's need for leisure-time recreation than to his stomach. They have, in short, converted all or part of their farm acreage into golf courses, hunting preserves, tennis courts, modern swimming pools, or park land.

On what were once grassy meadowlands, all alive with grazing cows, clubhouses have replaced barns, and the farm silo often overlooks a new fairway. Also, lakes once used for watering the cattle now resound to the splash and cries of bathers, their banks adorned with beach umbrellas and the stands of watchful lifeguards. In the winter, these lakes will become ice-skating rinks.

COUNTRY CLUBS

Presiding over these pay-as-you-go "country clubs" are the farmer and his wife and, in many instances, their children. All pitch in to make their once economically unproductive property a profitable enterprise.

The farmer's entry into the field of recreation was sparked by simple mathematics and some commonsense. Under the Food and Agricultural Act of 1962, farmers can borrow up to \$60,000 for the conversion of all or part of their land into recreational facilities. Many farmers have taken advantage of this opportunity.

A study made by the Agriculture Department shows that at least 1 income-producing recreation enterprise was established by 9,818 landowners during the 1963 fiscal year ended on June 30. This was done in cooperation with the regional offices of the Department's Soil Conservation Service. An additional 9,075 landowners said they intended to establish recreation facilities.

THE BIG SWITCH

The Agriculture Department found also that 945 landowners switched from livestock, dairy, crop, fruit, and similar activities to recreational enterprises as a primary source of income. This involved 237,691 acres.

A typical golf course converted from a farm, according to the Agriculture Department, is Frank Miskoski's 208-acre site in Cream Ridge, N.J., southeast of Trenton.

Mr. Miskoski quit farming in Bucks County, Pa., in 1950 and bought another farm at Cream Ridge. After paying cash for it, he had \$14,000 left as working capital. This was a safe cushion, he thought.

But the new farm did not pay and Mr. Miskoski's working capital shrank. In 1958, he converted part of the land into a nine-hole golf course. Business was so good that he added nine more holes in 1961. Today, the 18-hole course spreads over 150 rolling acres.

Mr. Miskoski now has a \$50,000 investment, 500 members, and a \$600 weekly payroll. Most of his customers pay a membership fee of \$9 a year, plus \$2 every time they play on weekdays and \$3 on Saturdays, Sundays, and holidays.

Another Cream Ridge farmer, who also received technical assistance from the Soil Conservation Service, is Edward C. Noller. He converted a pond once used for crop irrigation into a swimming center, complete with 36 private cabanas, showers, dressing room, and snack bar.

Mr. Noller's 10-acre play area part of a 112-acre farm, also has 26 picnic tables shaded by large adjustable parasols and 10 grills for cookouts. Other facilities include a roofed pavilion and grounds for softball, volleyball, and horseshoe pitching. Then, too, there is another pond stocked with fish.

Both this farm, known as Homestead Lake, and the Miskoski layout are situated in an area that is said to be short of recreational facilities. In addition to Trenton, other

towns nearby are Bordentown, Allentown, Hightstown, and Freehold.

COWS TO GOLFERS

In February, 1961, Stephen Little, a 69-year-old farmer of Penobscot County, near Brewer, Maine, faced a problem. His milk wholesaler notified him that he was not going to buy milk any more.

For some time before that, Mr. Little's son had been urging him to convert part of the farm into a golf course. Now, faced by the emergency, the elder Little told the younger man:

"Son, you're in the golf business."

The Pine Hill Golf Club was opened to the public on June 2, 1962, after a conversion investment of \$16,000, including \$10,000 for a clubhouse. Attendance the first season was 5,000.

COMMODITY CREDIT CORPORATION APPROPRIATIONS

Mr. HUMPHREY. Mr. President, earlier today, the distinguished Senator from Delaware [Mr. WILLIAMS] referred to the Commodity Credit Corporation.

The "saving of \$928 million" referred to by the Senator is the decrease estimated in the budget in the total expenditures of the Department of Agriculture in the fiscal year 1964, as compared with 1963. The totals are shown on page 41 of the budget, and a detailed analysis of the estimated decrease attributable to the Agricultural Stabilization and Conservation Service, including CCC, was presented in the hearings.

Net budgetary expenditures represent the net outgo of Government funds—outlays less receipts. They are not comparable with appropriations, which make funds available for expenditure.

The processes followed in making appropriations to reimburse the CCC are in accordance with the direction of Congress. The act of March 8, 1938, as amended, requires the corporation to obtain reimbursement on the basis of realized losses. The budgets submitted to Congress request reimbursement for losses sustained through the end of the fiscal year preceding submission of the budget. These are the latest known realized losses for a fiscal year at that time. The budget document includes for the information of the Congress, the Department's estimates of the losses to be realized in the subsequent 2 fiscal years, and the financial position of the corporation at the end of each of those years.

Congress has not always appropriated the full amounts requested in past years. This was the case in 1963, 1961, 1960, 1955, and other years.

FARMER-COMMITTEE SYSTEM

Mr. President, any restriction on the activities of farmer-committeemen which would relegate their use to merely advisory functions not only would spell the death knell of the farmer-committee system—which has successfully administered farm-action programs for the past 30 years, but also would hamstring the programs themselves to a point where they could not effectively carry out the will of Congress, as expressed in the laws authorizing the various programs. I am sure this is not the intention of the language included in the bill now under consideration.

Such restrictions would be contrary to the intent of the Congress, as expressed in section 8(b) of the Soil Conservation and Domestic Allotment Act, which directs the Secretary of Agriculture to utilize the farmer-committees in the administration of various farm programs.

Such programs—which depend for their effectiveness on farmer participation on individual farms throughout the country—simply cannot operate if farmers do not know about them, do not understand how they can take part, and do not follow through by carrying out the program provisions in a proper manner.

The programs will not operate effectively if they do not meet the local need, as well as the national need; if the bases on which they are formulated are not correct; and if the program determinations and decisions are not accepted by farmers generally as being fair and equitable.

At the present time, committeemen are paid on a per diem basis, and in many instances they work many more days than they are paid for. They have done this freely and willingly, because they believe in the importance of the programs they help administer. Furthermore, the rates of pay committeemen receive are sufficient in most cases only to replace their labor on the farm. If full-time personnel had to be employed to perform the functions now carried out by committeemen, the cost of program administration would increase substantially.

It has been our policy to encourage the use of local committeemen, where they were willing and able to serve, in connection with any type of field work, such as adequately informing their neighbors about the programs, checking performance, bin site operations in connection with crops stored under Government loan, review of actual yield in establishing farm bases. We have done this because their familiarity with local problems and situations has been invaluable in forming and operating a successful program.

In connection with programs which have mandatory provisions, such as marketing quota programs, the committees perform such duties as determining individual farm allotments and adjusting them for inequities. Under voluntary programs, such as the feed grain and wheat stabilization programs, they establish the farms' bases, normal yields, and rates of payment.

Under the agricultural conservation program, they approve proposed conservation measures on individual farms and ranches, allocating the program assistance among farm requests which far outstrip the funds made available for that purpose.

In connection with the adjudication of claims for drought or other emergency relief, the committeemen have to make such difficult decisions as to whether the extent of hardships justifies program assistance, and the amount of assistance needed.

In deciding questions like these, it is not always possible just to sit in an office and find a basis for spending Government money. It is many times necessary for the committeemen actually to

visit the farm and obtain firsthand information on which to base a fair and equitable decision.

Farmers through the years have come to accept such decisions—even though not always favorable—because they have trusted the practical knowledge and outlook of program administrators who themselves are farmers. A restriction on the use of committeemen which directed them to go beyond “advice” would negate the influence and confidence which committeemen have built up over a generation in the sound administration of farm-action programs.

I offer this statement so the language of the bill and that in the report relating to the activities of farmer-committeemen may be properly interpreted, and so we may fully appreciate the importance of this vital activity and organization in the agricultural program—namely, the farmer-committeemen system.

It is my intention to ask the chairman of the subcommittee certain questions relating to the language of the bill and of the report concerning the farmer-committeemen system.

RURAL ELECTRIC COOPERATIVES

Mr. President, earlier today the Senator from Ohio [Mr. LAUSCHE] commented extensively on the Rural Electrification Administration, the interest rate, and the loans for generation and transmission. At this late hour, I merely wish to associate myself with the remarks of the Senator from Illinois [Mr. DOUGLAS], the Senator from Vermont [Mr. ARKEN], and those of other Senators who spoke in behalf of the REA, and also in behalf of the splendid work that great agency of Government and the REA cooperatives are performing. The latter truly represent the rural communities of America in the vital service of providing electrical energy.

It should be noted, Mr. President, that while the funds for the REA continue to be needed, what is happening is that as the “beefing up” or improvement or modernization of REA transmission and generation facilities occurs, the requirements for electrical energy increase; and, as the Senator from Illinois pointed out, today the demands for power on the American farm are many times larger than they were several years ago. Our farms are mechanized; our farms are electrified; and our farms are modern and efficient. Much of this is due to the services of the REA.

We in Minnesota find that our private utilities and our REA cooperatives get along very well. They have a cooperative and friendly relationship, and I am convinced that this development can occur in any part of the Nation if there is a desire to make it occur.

The 2 percent interest rate—which today, in the eyes of some, represents a subsidy to the REA’s—is really a payment by the general public for extending the service to the sparsely populated areas and for giving to the rural areas of America some of the benefits which the metropolitan areas receive.

Mr. President, I heard the argument about the amount of taxes paid by private utilities and cooperatives. But there is a great deal of difference be-

tween a private utility, which is a corporation, and a rural electric cooperative, which is a nonprofit organization.

The cooperative pays back on the loan. Whatever profit there is—if there is any—is distributed to its members; and the members are assessed taxes. A corporation is an entity unto itself; it is a corporate personality. It is, in the eyes of the law, an individual; and therefore, a corporation obviously would pay more Federal income tax than a cooperative would. But if we consider the Federal income taxes paid by the members of cooperatives on their refunds and dividends, plus the taxes paid by the REA cooperatives themselves, we find that there is a much better relationship between the cooperatives and the corporations than was indicated today in the Senate.

I merely wish to point out that a corporation is a profitmaking venture. A corporation, if it is a private utility, is guaranteed a profit, because the State regulatory bodies provide for a certain percentage of profit upon the investment or upon the sales. Generally it is upon the investment. Frequently we refer to it as a 6-percent rate of return upon the investment. These utilities are regulated for the public interest; therefore the rates are regulated. However, the rates are regulated, not merely for the benefit of the consumer, but also for the benefit of the corporation. Thus, a private utility, generally speaking, when under good management does make a profit; and, therefore, it pays a tax on that profit.

If an REA cooperative makes a profit, it is used to retire the debt or the loan from the REA Administration in Washington, or the moneys are refunded in terms of dividends to the individual members. All of this is recorded in the Treasury Department, and all of it is subject to income tax.

Mr. President, I make this statement so we may have a better balanced record as to rural electric cooperatives and private utilities. There is plenty of room in the economy for both; and in a great many areas both get along very well. I repeat that my State of Minnesota has set a very good example. At the present time we have a number of cooperatives which are working in close coordination with one of our large utilities—namely, Northern States Power Co.—in an effort to expand the electrical energy service in the rural areas. When they are better managed and better served, everyone benefits—the cooperatives and their members, the rural users of the REA energy, the Northern States Power Co. and its investors, and the people and the communities they serve. So I am happy and proud to be able to say that some of the problems discussed here at some length can be overcome by improved cooperation and understanding between the respective groups.

I wish to endorse, once again, and commend the Rural Electrification Administration for its most valuable service to the American economy. We must remember that REA benefits both farmers, manufacturers of electric appliances, and the total economy; and it

surely benefits the communities in which the REA cooperatives are to be found.

For every dollar invested in an REA cooperative, \$6 to \$8 are invested or purchased by the users of electrical energy in utility or electrical appliances of the sort we use in our homes and in business. This has been good business for everyone concerned; and the record of repayment is outstanding.

Mr. President, just this week, President Kennedy reminded us, when he spoke at Grand Forks, that the REA program is not completed. He spoke, as we know, on “the charter of the new farm goal, parity of opportunity.” The President outlined certain matters relating to the REA. He said:

We are seeking, in short, true parity of opportunity, but it will not come overnight. To achieve it will require a new impetus in electrification development, new starts in our multipurpose dam programs, and new and greater use of our land, water, timber and wildlife resources.

The repayment record of the REA system has been outstanding, and the quality and dependability of the electric service it provides is outstanding. But if the REA’s are to be able to take advantage of the technological improvements in the generation and the interconnection of transmission lines, they must be allowed the loans required in order to make additional investments to keep their electric power costs in line with those in the populous metropolitan centers.

Again, Mr. President, I say that the REA has been good for the country. The services provided by the REA have benefited the entire economy.

THE USE OF EDIBLE OILS FOR CHARITABLE PURPOSES

Mr. HUMPHREY. Mr. President, I wish to comment today on a charitable and humanitarian program which makes use of our surplus agricultural commodities. This program was twice enacted by the Congress and now is more important than ever because this year we have the largest surplus of edible vegetable oils in history.

I should like to read what President Kennedy said on October 2, 1960, in St. Paul, Minn.:

I don’t think we should use food as a weapon for war. I think we should hold out the hand of friendship and I think the bread we float upon the water will come back to us many, many times over in the coming years.

Here’s an example of how we can help our friends abroad and also our farmers: The Democratic Congress in 1958 specifically passed a law authorizing the Secretary of Agriculture to buy farm-produced fats and oils for relief feeding abroad. The church organizations of all faiths have repeatedly requested Mr. Benson for some fats and oils to be used as part of their programs all over the world. They donate their time and effort to distributing these foods. But the Secretary of Agriculture has consistently refused to implement the will of Congress.

I think the next President of the United States and the next administration should inaugurate a program of buying soybean oil and cottonseed oil and lard for relief feeding abroad, and I would do this before harvest time when the farmers have soybeans to sell.

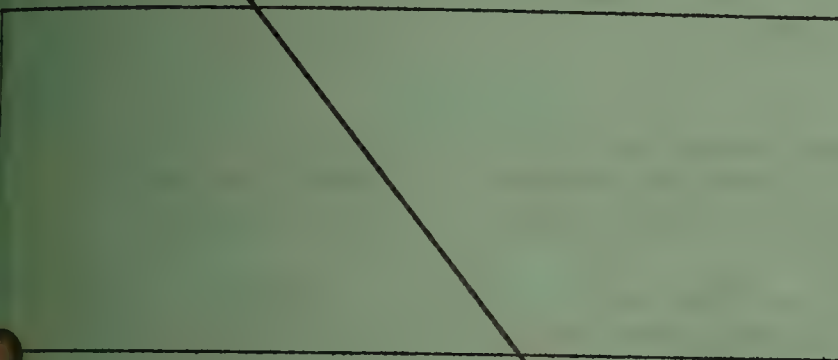
Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued Oct. 1, 1963
For actions of Sept. 30, 1963
88th-1st: No. 155



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HIGHLIGHTS: Senate passed agricultural appropriation bill. Sen. Young (N.D.) supported and Sen. Proxmire opposed sale of wheat to Russia. Sen. Proxmire inserted items in support of his proposed dairy bill. House committee submitted minority views report on bill for additional Assistant Secretary of Agriculture. Rep. O'Hara (Mich.) criticized exportation of wheat "clears" under Public Law 480. Several Representatives debated merits of expanded trade with Russia, especially in wheat. Sen. Humphrey introduced and discussed bill to extend expiring conservation reserve contracts.

SENATE

1. AGRICULTURAL APPROPRIATION BILL, 1964. By a vote of 74 to 5, passed with amendments this bill, H. R. 6754 (pp. 17407-23). Conferees were appointed (p. 17423). By a vote of 20 to 59, rejected an amendment by Sen. Mundt to authorize the Secretary to extend until December 31, 1965, conservation reserve contracts expiring on December 31, 1963 or December 31, 1964 (pp. 17407-21).
2. WHEAT; FOREIGN TRADE. Sen. Young (N.D.) favored and Sen. Proxmire opposed the sale of U. S. wheat to Russia and inserted items in support of their positions. Sen. Young contended that "Most people seem to have come to the conclusion that it does not make sense for the United States alone to withhold the sale of its surplus food commodities to these Communist-bloc countries while our allies are

willing to provide them with all they need." Sen. Proxmire stated that "this is a most eloquent commentary on our weakness and blindness in preparing to provide assistance to the Soviet Union in its serious economic need, a sale of wheat to the Soviet Union when they constitute the greatest threat to our freedom." pp. 17374-5, 17384

The "Daily Digest" states the Committees on Agriculture and Forestry and Foreign Relations "met informally in executive session to discuss further the matter of the sale of surplus agricultural commodities abroad. Participating in today's session were Secretary of Agriculture Orville L. Freeman, Secretary of Commerce Luther H. Hodges, and Under Secretary of State George W. Ball." p. D757

3. DAIRY INDUSTRY. Sen. Proxmire inserted an editorial and his letter, in answer to a critical letter from the Wisc. Dairies Cooperative, analyzing and supporting enactment of his proposed dairy bill, S. 1915. pp. 17378, 17382-3
4. USER CHARGES; WAREHOUSE ACT. Received from this Department a proposed bill to amend the U. S. Warehouse Act so as to authorize charges for annual renewal of licenses of warehousemen storing agricultural commodities; to Agriculture and Forestry Committee. p. 17370
5. FORESTRY. Received from Interior a proposed bill to authorize the Secretary of the Interior to accept the transfer of certain national forest lands in Cocke County, Tenn., for purposes of the Foothills Parkway; to Agriculture and Forestry Committee. p. 17370
6. FOREIGN CURRENCIES Both Houses received from GAO a report on the examination of the semi-annual consolidated report of balances of foreign currencies acquired without payment of dollars, as of June 30, 1962, prepared by the Treasury Department. pp. 17367, 17370
7. FOREIGN AID. Sen. Proxmire stated that "what we need in the foreign aid program are tests of the possible concrete returns which we can obtain from loans and grants made overseas," and inserted an article critical of foreign aid to Guinea. p. 17374
Sens. Saltonstall and McGee inserted and commended articles supporting continued foreign aid to Yugoslavia. pp. 17395-6, 17401-2
8. NOMINATION. Received the nomination of Dr. Robert S. Morison to be a member of the National Science Board, National Science Foundation. p. 17443
9. NUCLEAR TEST BAN TREATY. Sen. Church inserted several editorials in support of the nuclear test ban treaty. pp. 17375-7
10. CIVIL RIGHTS. Began debate on the amendment of Sen. Humphrey (for himself and Sens. Mansfield and Dirksen) to S. 3369, a private relief bill, to extend the Civil Rights Commission for one year, until Sept. 30, 1964. pp. 17380-1, 17425-33, 17435-42

HOUSE

11. ASSISTANT SECRETARY. The Agriculture Committee submitted a report of the minority views on H. R. 3850, to establish an additional office of Assistant Secretary of Agriculture (H. Rept. 751). p. 17367
12. WHEAT CLEARS. Rep. O'Hara (Mich.) criticized and urged a halt to the sale of wheat "clears" under Public Law 480, and contended that the export of this

TO HON. ESTES KEFAUVER, U.S. SENATOR

Presentation of this scroll is made for an outstanding record of distinguished service as a U.S. Senator in—

Athling steadfastly to the principles of representative government;

Rendering highly constructive services to the people of Tennessee, faithfully and vigorously representing their ideals and objectives and making many important contributions to welfare, progress, and betterment of that State;

Standing forth as a fighting champion of true democracy to make and keep our Government "of the people, by the people, and for the people"—and striving also unflinchingly for the benefit of all mankind to bring about advancement of peace, freedom, justice, and a better way of life in all nations of the world;

In dedicating his life work to the cause of humanity, to the firm conviction that every man is his brother, that government should protect the helpless weak from the selfish strong, that laws must serve the greatest good for the greatest number;

In living daily his love and faith for God, for country, for family, and for fellowmen—a stranger to anger, hate or selfishness, a modern apostle of gentleness, patience, kindness, tolerance, and warmth;

In establishing a brilliant record, to long endure, of high public service as a great American, a great Senator, a great Christian, a great crusader against evils and injustices—a great man of unwaivering honesty and integrity, unfaltering courage and energy, yet humble and modest in his greatness, who asks of life but the simple privilege of continuing to love and work as a good friend, a good neighbor, a good and useful public servant of each and every American, and of all people of this earth.

(Text of this scroll was prepared by Charles Kress, former mayor of Binghamton, N.Y., a close friend of Senator Kefauver, associated with the Senator in the Senate Crime Investigation Committee, for presentation to Senator Kefauver on his 60th birthday, July 26, 1963.)

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATIONS, 1964

The PRESIDING OFFICER. Now that morning business has been concluded, the Senate, under the unanimous-consent agreement of Thursday, September 26, 1963, will resume the consideration of House bill 6754, the agricultural appropriation bill for 1964.

The Senate resumed the consideration of the bill (H.R. 6754) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, and for other purposes.

The PRESIDING OFFICER. The pending question is on agreeing to amendment No. 197 of the Senator from South Dakota [Mr. MUNDT]. On this amendment there is a limit of 3 hours on the debate, to be equally divided between the two sides.

Mr. SMATHERS. Mr. President, I suggest the absence of a quorum, and request that the time used for the call of the roll be not charged to the time available to either side.

The PRESIDING OFFICER. Without objection, it is so ordered; and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SMATHERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUNDT. Mr. President, I call up my amendment to the Department of Agriculture and related agencies appropriation bill, 1964, and ask that it be stated for the information of the Senate.

The PRESIDING OFFICER. The amendment of the Senator from South Dakota will be stated.

The LEGISLATIVE CLERK. On page 38, between lines 5 and 6, it is proposed to insert a new section as follows:

SEC. 608. Notwithstanding any other provision of law, the Secretary of Agriculture is authorized to extend until December 31, 1965, any conservation reserve contract (authorized under subtitle B of the Soil Bank Act) which is scheduled to expire either on December 31, 1963, or December 31, 1964, if the producer concerned makes application for such extension in accordance with such regulations as the Secretary may prescribe.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota.

Mr. MUNDT. Mr. President, the amendment is simple and clear. A reading of the amendment virtually explains what is involved and comprises its own argument for the adoption of the amendment. It deals with an emergency in the farm belt. That is the reason I, in conjunction with my 11 cosponsors, have brought it up in connection with the Department of Agriculture and related agencies appropriation bill, 1964. If the problem is to be met at all, the amendment provides a solution to an emergency which exists as of today.

The amendment should have special appeal to two groups of Senators. First, it should appeal to those representing agriculture areas, because it deals with a problem existing in the farm belt.

Second, it should appeal to Senators—and I hope that that would comprise the vast majority of Senators—who are interested in sound fiscal policies and in economy, because by the amendment we could save more than \$150 million to the American taxpayer by continuing in the acreage reserve acres which would otherwise go into production, and by going into production, would comprise a new burden on the taxpayer in payment of storage and price supports of more than \$253 million. Since a continuation of the present acreage reserve in this area would involve a cost of about \$100 million, there would be a clearcut savings of more than \$153 million to the American taxpayers through the adoption of the amendment.

Approximately 7,400,000 acres would come out of the soil bank as of December 31 of this year unless the amendment were adopted. Approximately 3 million additional acres would be taken out of the soil bank next year, so that during the 2 years covered by my amendment,

10 million acres now locked in the soil bank would move back into production in the crop years of 1964 and 1965 unless the amendment were adopted.

We confront an extremely serious situation from the standpoint of wheat surpluses and from the standpoint of the wheat program. Senators are aware of the fact that at present there is no workable wheat program, in this country and that none is apparently contemplated for action by Congress this year. As a result of the farmers emphatically turning down the so-called wheat referendum, they rejected the only program that Congress had provided for them which would move in the direction of a restriction of surpluses and adequate payments to the American wheat farmer.

I speak now first about the concern that Senators who represent farmers in this great body should have. As a consequence of that situation from the standpoint of the farmers, the average wheat price as of August 15 of this year was \$1.77 a bushel received by the farmers. On August 15, 1962, the farmers were receiving an average price of \$1.99. So there has been a decline of 22 cents a bushel on the average in what the American wheat farmer is receiving for his product.

I call the attention of the Senate to the fact that the average effective parity price for wheat for August 15, 1963, was \$2.51. For many years in this body Senators have talked about getting parity for the American farmer. Sometimes we have enacted legislation in an effort to achieve 90 percent of parity for the American farmer. But when he is being paid \$1.77 a bushel, obviously he is neither getting parity, 90 percent of parity, nor any reasonable approximate price with any rational relationship to parity.

The amendment would not directly affect what I am about to point out; but, incidentally, unless a new wheat program is adopted, and unless something is done by Congress to meet the challenge of the fact that we are going into a crop year with no effective wheat program, it is accurately reported by the Department of Agriculture that the price for wheat a year from now is likely to be \$1.10 a bushel or \$1.25 per bushel.

What effect would the amendment have on the production of wheat, on the prices received by wheat farmers, and on the impending surpluses which have already attained an unmanageable size? This year wheat production is on the average 4 percent higher than a year ago. In part, that is due to the fact that Congress failed to act soon enough in connection with the soil bank acres which went out of the soil bank and into production a year ago. At that time the soil bank program should have been extended. Ultimately it was extended, but not soon enough to prevent farmers from beginning to plow back into production the acres about which they were uncertain at that time. As a consequence, about half of the 1,400,000 soil bank acres which had expiring contracts a year ago—approximately 700,000 acres—came

back into production this year and contributed, of course, to the 4-percent increase in overall wheat production which has taken place.

Unless action is taken now, a substantial portion of the 7,500,000 acres which are locked into the soil bank at the present time will go back into production. Every day farmers are plowing up soil bank acres because they have no assurance that the program will be extended, and that they can retain their acres in that status.

Farming is a seasonal business. When farmers conclude one harvest, they start planning for their spring work and for next year's harvest.

As a consequence, since the harvest is over and Congress has failed to act to extend the soil bank acres, every day we delay sees acres somewhere in this country plowed under and put back into production or back into overproduction. This constitutes the urgency which impelled us to offer the amendment to the pending bill. If we delay a week, 2 weeks, 3 weeks, or a month, we aggravate the problem of agricultural surpluses that much, as farmers individually return their acres to production, because they cannot longer wait.

Many soil bank acres have been planted into broom grass and into other vegetation which is necessary to plow under in the fall in order for farmers to cultivate those acres in the spring. If the farmer waits until spring to plow them under he will have a tangled mess of weeds and vegetation, which will make cultivation of the soil unprofitable, if not impossible. For that reason farmers can no longer wait to make plans for next year's crop. They must decide now whether to plow the acres this fall for next year's crop or whether to retain them in a soil bank status. Obviously there is no inducement to retain them in a soil bank status as they see the date of December 31 of this year staring them in the face with an automatic expiration on the acres.

Many of such acres are in the fine wheat-producing areas of the country. Unless we act now, many of those acres will be plowed under in the next few days or in the next few weeks and made ready for wheat production to increase even further the present great wheat surplus.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. MUNDT. I am happy to yield.

Mr. LAUSCHE. I should like to ask the Senator from South Dakota a question; and if I may I should also like to have the attention of the Senator from Florida [Mr. HOLLAND].

It is my understanding that under the conservation reserve program of a few years ago nearly 30 million acres were contracted, under what is known as subtitle "B" of the Soil Bank Act, at a price of about \$12 to \$13 an acre. At that time, under the farm program then existing, we were inducing the farmers to take acres out of production, which cost us \$40 an acre.

My question is, How many acres are under the conservation reserve contract plan? What did it cost per acre? Has not the plan worked successfully, com-

pared with the cost of other plans which have been offered? Can the Senator give me information on that point?

Mr. MUNDT. I shall be glad to make an off-the-cuff reply and then yield to my distinguished friend from Florida, who has the advantage of committee counsel by his side, who can correct any inadvertent misstatements I may make.

I believe the average cost was closer to \$13 or \$14 an acre, instead of \$12 or \$13, but that is comparatively immaterial.

The plan has worked successfully, because it has kept out of production a great many fertile acres which otherwise would have been in production, which would have been under our price support program, and ultimately under some program of governmental storage, at a high cost to the American taxpayer.

I believe that is the reason why the soil bank itself was ultimately stopped from further expansion. It was not failing to work well from the standpoint of controlling production. It was not failing to work well so far as saving the taxpayers' money is concerned. But it tended to proliferate itself greatly in certain areas of the country, so that small communities and small cities dependent upon rural trade found themselves in an economic squeeze, because their farmer customers were locking their soil into the soil bank areas and consequently were not living on the farms and were therefore not available for continued trade in the little commercial centers catering to rural people. I believe that is the reason why it was not expanded beyond the point where it finally stopped.

There are in the instant case some 10 million acres involved. There is no protest from rural communities that the land should go back into production, because this does not involve an expansion of acres in any specific area but would provide for a stabilization of the situation and would prevent a return to production of these acres for at least 2 years. It would be hoped that during those 2 years Congress might evolve and approve some kind of agricultural program which would prove acceptable to the farmers and acceptable to the country economically.

I am happy now to yield to my distinguished colleague, the chairman of the Agricultural Subcommittee of the Committee on Appropriations.

Mr. HOLLAND. Mr. President, I thank my friend, the Senator from South Dakota, for yielding.

I understood that the Senator from Ohio wished specific information as to the amount of acreage coming out of the conservation part of the soil bank program at the end of this year, December 31, 1963, and at the end of next year, December 31, 1964. Figures furnished me by counsel for our committee are as follows: At the end of this year, 7.4 million acres will come out of the conservation reserve program and at the end of next year—or December 31, 1964—3,348,160 acres will come out from under contract. That makes a total of some 10.75 million acres which will emerge from the

conservation reserve program either at the end of this year or at the end of next year.

Mr. LAUSCHE. What will be the remaining acreage in the program after the nearly 11 million acres come out?

Mr. HOLLAND. While the counsel for the committee is looking up that information, I will give the figures as to cost, because I believe the Senator's interest is not limited to acreage, but also includes cost. Assuming that practically all the acreage would continue in this program, because the land-use requirement rate under the new law enacted last year, which is now in operation, is only about half—about \$6 to \$7 an acre as compared to \$13 an acre under the conservation reserve program—the total amount for the 2-year extension for the acreage coming out at the end of this year and for the 1-year extension for the acreage coming out at the end of next year would be about \$211 million.

Mr. MUNDT. Mr. President, in further answer to the Senator's request about the number of acres presently locked in the soil bank, 24,957,000 acres are in the soil bank, some 10 million of which are involved in this discussion.

Mr. LAUSCHE. This would take out 11 million acres, leaving about 14 million acres.

Mr. MUNDT. If the Senate should not agree to the amendment, the acreage would be reduced to about 15 million.

Mr. LAUSCHE. That would mean an end to the program, practically.

Mr. MUNDT. An end for everything except 15 million acres; the Senator is correct.

Mr. HOLLAND. Let me change my figure from \$211 million to \$219 million as the estimated amount that the program embraced under the amendment would cost. The acreage figures that I gave at the beginning are the correct figures.

The figures as to the acreage that would remain under the program after December 31, 1964, are set forth in the compilation found on page 34 of the Senate hearings on S. 1588. They are as follows:

At the end of 1965, the number of acres to be released, 547,827.

In 1966, 1,973,950.

At the end of 1967, 1,360,675.

At the end of 1968, 6,489,562.

In 1969, 3,714,363.

There is a final release of 9,859 acres in 1970.

I have not been able speedily to add those figures, but it seems to me that the total would be somewhere between 13 and 15 million acres.

Mr. LAUSCHE. Mr. President, will the Senator from South Dakota allow me to ask the Senator from Florida a question?

Mr. MUNDT. Yes.

Mr. LAUSCHE. Is it not still necessary—

Mr. MUNDT. Mr. President, since the Senate is proceeding on a time division, may I ask that this time be divided equally between both sides?

Mr. HOLLAND. I am perfectly willing to have that done.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LAUSCHE. Is it not inadvisable to allow this program to run to an end, as is now being done, with acreage being taken out this year?

Mr. HOLLAND. That is one of the controversial subjects before the Committee on Agriculture and Forestry. A program has been presented to that committee under the title of S. 1588, which has been heard by our subcommittee in that committee. Hearings were completed and printed as of September 6. That bill should shortly be before the Senate.

I understand that an identical bill is before the House committee. I am not able to report the progress there.

Several questions are in issue. One is whether or not the price prevailing in the conservation reserve program should be continued as a public burden to be paid for the removal of this acreage, much of which is not prime producing acreage.

I have already stated for the RECORD that under the land-use program adopted last year, and which is now applicable, less than 1 million acres have been retired, at a little more than \$6 per acre. Of course, there are many who think that program should be expanded and be more fully used. It makes for an unfair differentiation for the owners of exactly similar parcels of land to have one contract under which they are paid at the rate of \$13 to \$14 an acre, and to be paid, under the provisions of the present law, about half that much.

There is another controversy, and that is as to the use to which this land should be put. The major controversy in this respect is whether it should be available for grazing or making hay. All the cattle industries, and I think the allied industries, are very much against it, because it is thought that it would only encourage a surplus in the production of red meat. Other groups are for the proposal. That is one of the subjects which I understand is highly controversial under S. 1588, which is pending in the committee.

My distinguished colleague the Senator from North Dakota [Mr. YOUNG], the ranking minority member of the subcommittee, has just entered the Chamber. He is thoroughly familiar with the problem. If the Senator from South Dakota will permit me to do so, I shall be glad to yield to him at this time for such comment as he may wish to make.

Mr. MUNDT. I shall be glad to yield to him, since I have the floor, but the time should be charged to the Senator from Florida.

Mr. HOLLAND. If I yield to the distinguished Senator, I am still willing to have the time divided, as I understand the Senator previously suggested it be divided, 50-50.

Mr. MUNDT. The Senator from North Dakota does not take much time. That arrangement is satisfactory to me.

Mr. HOLLAND. I only regret that there was no opportunity to discuss this proposal in the Appropriations Committee. The distinguished Senator from South Dakota is a very effective member of the committee. He discussed other

subjects and amendments. For some reason sufficient to him, he has not seen fit to offer the completely legislative approach to this appropriation bill until after the bill has come to the floor and is now pending. I regret that he did not bring it up in committee, where we could also have had the benefit of the views of other committee members.

Mr. MUNDT. I am sure the Senate will have the benefit of the views of other committee members during the debate on the floor. Since this is a matter of great concern to Senators representing urban areas, where the farm economy is a primary element, the Senator from South Dakota thought it would be an effective procedure to offer the proposal on the floor of the Senate.

Mr. YOUNG of North Dakota. Mr. President, this problem has concerned most persons in this country, and particularly farm organizations. Every major farm organization, including the Farmers' Union, the Grange, and the Farm Bureau Federation, has recommended that 65 million acres be retired. They have proposed different plans, but in connection with the amount of acreage to be retired they have arrived at about the same total.

Some Members of Congress have been trying for years to obtain action on what is to be done with acreage coming out of the soil bank. It has been in the soil bank for several years, and is more fertile now than when it went into the program. It does not make sense to put it back into production. Much of it is being plowed now for next year's crop. If this program is continued, we shall end with bigger production, and we have have to do something about it.

About a year ago we obtained action, in conference with the House, to take care of land coming out of the soil bank program, with the commitment by the chairman of the full committee, the Senator from Louisiana [Mr. ELLENDER], that this subject would be taken up immediately when this Congress convened 9 months ago. He has been trying to obtain action, but somehow we have not been able to get it. In the meantime this land is coming back into production, and it will destroy our whole program of trying to curtail production.

I think there should be in the RECORD a table which appeared on page 6 of the Senate Agricultural Committee hearings on S. 1588, giving the number of acres in each State now in the soil bank. I ask unanimous consent that the table be made a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Conservation reserve acreage under contract, Jan. 1, 1963¹

	Acreage under contract ¹
Alabama	391,000
Arizona	2,000
Arkansas	526,000
California	174,000
Colorado	1,165,000
Connecticut	4,000
Delaware	17,000
Florida	214,000
Georgia	1,021,000
Idaho	250,000

Conservation reserve acreage under contract, Jan. 1, 1963¹—Continued

	Acreage under contract ¹
Illinois	410,000
Indiana	453,000
Iowa	554,000
Kansas	1,334,000
Kentucky	363,000
Louisiana	210,000
Maine	105,000
Maryland	70,000
Massachusetts	3,000
Michigan	629,000
Minnesota	1,538,000
Mississippi	266,000
Missouri	738,000
Montana	589,000
Nebraska	800,000
Nevada	0
New Hampshire	11,000
New Jersey	44,000
New Mexico	767,000
New York	443,000
North Carolina	258,000
North Dakota	2,411,000
Ohio	466,000
Oklahoma	1,274,000
Oregon	195,000
Pennsylvania	331,000
Rhode Island	(²)
South Carolina	617,000
South Dakota	1,591,000
Tennessee	456,000
Texas	2,804,000
Utah	212,000
Vermont	32,000
Virginia	101,000
Washington	305,000
West Virginia	55,000
Wisconsin	650,000
Wyoming	107,000
Total	24,957,000

¹ Includes 1963 1-year extensions of 701,000 acres.

² 500 acres or less.

Mr. MUNDT subsequently said: I ask unanimous consent that, immediately after the chart which was inserted in the RECORD by the Senator from North Dakota [Mr. YOUNG], showing the conservation acreage to be released on December 31, 1963, be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Conservation reserve acreage to be released Dec. 31, 1963¹

	Acreage to be released ¹
Alabama	66,000
Arizona	1,000
Arkansas	177,000
California	89,000
Colorado	154,000
Connecticut	2,000
Delaware	8,000
Florida	12,000
Georgia	93,000
Idaho	90,000
Illinois	266,000
Indiana	258,000
Iowa	347,000
Kansas	358,000
Kentucky	166,000
Louisiana	48,000
Maine	22,000
Maryland	40,000
Massachusetts	1,000
Michigan	265,000
Minnesota	587,000
Mississippi	115,000
Missouri	284,000
Montana	149,000
Nebraska	339,000

Footnotes at end of table.

Conservation reserve acreage to be released
Dec. 31, 1963¹—Continued

	Acreage to be released ¹
Nevada.....	0
New Hampshire.....	1,000
New Jersey.....	26,000
New Mexico.....	24,000
New York.....	138,000
North Carolina.....	64,000
North Dakota.....	555,000
Ohio.....	235,000
Oklahoma.....	358,000
Oregon.....	82,000
Pennsylvania.....	143,000
Rhode Island.....	(²)
South Carolina.....	50,000
South Dakota.....	434,000
Tennessee.....	148,000
Texas.....	691,000
Utah.....	56,000
Vermont.....	4,000
Virginia.....	39,000
Washington.....	112,000
West Virginia.....	21,000
Wisconsin.....	281,000
Wyoming.....	32,000
Total.....	7,421,000

¹ Includes 1963 1-year extensions of 701,000 acres.

² 500 acres or less.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. MUNDT. I yield to the Senator from Ohio.

Mr. LAUSCHE. My memory has just been refreshed with respect to the discussions on this subject last year and the year before last. I intend to support the Senator in his proposal. As has been stated, it has been proposed that the conservation reserve program be built up to about 60 million acres, and even to 80 million acres, so as to take out of production about 8 percent of the total acreage. The program has not been expensive. The cost of \$13 an acre has been mild compared with other programs.

Mr. MUNDT. The Senator is exactly right on that point. It is an economy measure.

Mr. LAUSCHE. In my opinion the argument that farmers would be induced to take the \$6 an acre program is not justified. If 7 million acres are to be allowed to slip into production this year, and 3 million next year, the program will be gone.

Mr. MUNDT. It will be all gone but 15 million acres.

Mr. LAUSCHE. This item is so vital from the standpoint of time that I believe we cannot wait until next year. If 7 million acres are to be plowed under and put into production this year, we shall have a graver problem to contend with next year.

Mr. MUNDT. The Senator is correct. That is a considerable source of concern.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. AIKEN. Has the Senator any estimates as to the amount involved in the 7 million acres on which contracts probably would not be extended, if his amendment were adopted? The Senator from North Dakota referred to some of the land being plowed for next year's crop.

Mr. MUNDT. We have no estimates as of now. I could not find them in the hearings before the subcommittee.

Mr. AIKEN. They would have an important bearing on the effect of this amendment. If contracts on 1 million acres are not to be extended anyway, it would mean that what the Senator is proposing would cost about \$13 million less than if every acre were continued under the program for another 2 years.

Mr. MUNDT. All we have are unassembled returns from the farm belt, from farm organizations, and from farmers themselves, about land which every day is being plowed back. I suspect that the slippage is relatively small as of now, because harvesting is just being completed, but it increases with every day of delay.

Mr. AIKEN. The Senator is satisfied that under his proposal there would be no possibility of a substitution of acres in these contracts. Is that correct?

Mr. MUNDT. That is correct. They are the same acres.

Mr. AIKEN. It would not be possible to put the richer acres into production and put the leaner type of acres under contract?

Mr. MUNDT. The Senator is correct. I now wish to complete my presentation on the amendment.

Before the colloquy began I was referring to the acres which would be released if the amendment were rejected. They are some of the most productive wheat acres in America. I see in the Chamber both Senators from North Dakota. The senior Senator has participated in the debate. In that State unless the amendment prevails, 555,000 acres will go back into production next spring. That is a great wheat State.

In Kansas, another great wheat State—and it proudly carries on its automobile license plates the boast that it is the wheat State of America—358,000 acres, practically all of them wheat acres, will go back into production next spring, and will become a charge against the taxpayers, unless action is taken.

In another great wheat State, Nebraska, 339,000 acres will go back into production.

In South Dakota, which has a great acreage in diversified farming, but in the western portion of which there is some of the best wheat acres in the world, 434,000 acres will go back into production.

Mr. President, I wish to say a word or two about some of the points brought out in the colloquy. It is true that different prices for different acres have been contracted, and that the man who will get not quite as much as someone else, will be disenchanted, although he will be inclined to continue to keep his acreage locked in the reserve.

However, that is the way our free economy works. The man who may have once bought General Motors stock at \$50 a share is unhappy compared with the man who bought some shares 2 weeks earlier for \$40 or \$48 a share. If A sells a house for \$10,000 to B, who in turn sells it for \$15,000, A is not very

happy, and feels that he did not make the best bargain.

However, the contracts have been entered into voluntarily. They were not superimposed upon anyone. This unhappiness, by the way, is assuaged by the feeling that the program should be continued.

The reason why no action has been taken through legislative committees in Congress is twofold. Both the House and the Senate committees have held some hearings and some discussions of the subject. There is a body of opinion which would change the contractual arrangement for the soil bank acres, as the Senator from Florida has pointed out, by including the privilege of raising hay, or putting the land to pasture, for the grazing of livestock. Obviously that would be only a device to transfer the cost of the soil bank acres from the Government, which reaps the benefits, to the livestock industry, which would suffer from what would develop into a surplus of livestock products.

The livestock industry is one segment of our economy which has had no price supports and has asked for none. The industry has been getting along fairly well on its own motive power. It seeks only some kind of tariff protection, so that it can continue to enjoy the benefits of its present form of production.

If we were to permit a rise in livestock production, we would generate an overproduction of livestock, which in turn would force the livestock industry to come to Congress to ask for assistance.

Therefore, no progress has been made in renewing the soil bank acres, with the codicil attached that the acres may be used for livestock purposes.

There is another reason why no bill has been reported dealing with soil bank acres. There is a hesitancy to bring an agricultural bill before Congress, because if any is reported, it will be subject to amendment. The dairy producers are interested in certain legislation. There are several proposals dealing with the wheat situation. Farmers from the Cotton Belt have a bill they would like to have enacted. Once a bill dealing with agricultural legislation is brought to the floor, it will become subject to all kinds of amendments.

Therefore there has been hesitancy to meet the emergency in this way. However, we do have an opportunity to vote on the amendment at this time.

Concerning the cost, I point out that Mr. Godfrey, of the Department of Agriculture, testified, as shown on page 22 of the hearings, that roughly 7,400,000 acres will come out in 1963, and that would be, as compared with an extension of the conservation reserve, about \$52 million a year saved, which adds up to the \$100 million which I stated earlier would be saved to the American taxpayers by the adoption of the proposed amendment.

It seems to me that it is sound, good agricultural legislation to adopt the amendment now, while there is still time to prevent a major portion of the acres from slipping back into production.

I hope the amendment will be adopted. I reserve the remainder of my time.

Mr. HRUSKA. Mr. President, will the Senator yield some time to me?

Mr. MUNDT. I yield 5 minutes to the Senator from Nebraska.

Mr. HRUSKA. Mr. President, I rise in support of the amendment offered by the Senator from South Dakota [Mr. MUNDT]. In the colloquy of a few minutes ago, the case in favor of the amendment was clearly stated. Of major importance is the point made by the senior Senator from North Dakota, that the acres in the conservation reserve, by reason of their having been retired, are now in an advanced state of fertility and, if placed back into cropland, will produce not only their former yields but will actually increase in production. That is one point.

The second point, touched on by the Senator from Vermont [Mr. Aiken], is that there is no possibility for a substitution of poor acres, under the terms of the amendment. The amendment would provide only for a continuation of the acres now within the conservation reserve program.

Mr. MUNDT. It would continue the prohibition against grazing, so that it would not work an injustice against the livestock industry.

Mr. HRUSKA. That point can still be considered in separate legislation if desirable.

Mr. MUNDT. This is really a holding operation.

Mr. HRUSKA. Yes.

Mr. MUNDT. This is a continuation of the same program, with the same acres and with the same prohibition.

Mr. HRUSKA. Except for any slippage that may have occurred up to now, where farmers of my State and those of other States have given up hope of the Congress acting in any respect in this field, and have turned the plow to those acres. Those acres will be represented in the slippage.

Mr. MUNDT. Yes. Even in that connection, a farmer who has elected to put back the acres that he has plowed up can continue them in the conservation reserve, because he has not forfeited his contract. If he elects to put them to grass or to not put them into production, he can continue to enjoy the program for 2 more years.

Mr. HRUSKA. The third point I wish to stress is, that time is of the essence. Farmers will have to know soon, will they not—in a matter of days?

Mr. MUNDT. Precisely.

Mr. HRUSKA. They will have to know whether Congress will take action in that direction, because once seed is put into the ground the farmer is committed and is faced with a financial loss that may be prohibitive. He would not be able to turn back.

Mr. MUNDT. The Senator is suggesting that even if the farmers should seed the acres they could plow them under, but that the cost of doing so would be prohibitive, so the prospect of their doing so is highly unlikely.

Mr. HRUSKA. Exactly.

Mr. MUNDT. The Senator is correct.

Mr. HRUSKA. The situation is of utmost seriousness. Unless action is taken by the Congress, a miscarriage of the original purpose of the conservation reserve program will result. Unless action such as that proposed by the amendment is taken, the result will be new and increased troubles in another area, which will be infinitely more expensive than if action is taken at this time.

For these reasons, we should take the action proposed, and take it quickly. Therefore, I support the amendment.

Mr. MUNDT. I appreciate the contribution made by the distinguished Senator from Nebraska. I should like to emphasize the point he so wisely, properly, and prudently makes. By approving the amendment, we shall in no sense be barring the Senate Committee on Agriculture and Forestry or the House Committee on Agriculture from coming forward tomorrow or next week, or at any future time, and proposing legislation to deal with the soil bank problem. At that time, these acres will still be continued in their soil bank status if my amendment prevails. If a more acceptable or desirable program than that which has been operating in the past can be proposed, the committee will have the full right and authority to do so.

What is proposed by the amendment is merely a holding operation, which would preserve the status quo. It would continue the land in soil bank acreage, so that new legislation would not come after the fact; and acres which had been retired and reimpregnated with great new fertility and production capacities would not come into production and add to the surpluses.

I suggest that the opponents of the amendment, if there be any—and I hope there are none—will use a part of their time. I reserve the remainder of my time.

Mr. HOLLAND. Mr. President, I am sorry the unanimous-consent agreement entered into by the leadership is so worded that, as I am advised, I do not have the right to carry out the uniform instructions given to all subcommittee chairmen by a resolution of the full Committee on Appropriations to the effect that when a legislative amendment is offered on the floor of the Senate, it is the duty of the subcommittee chairman to raise a point of order. It is my present understanding from the Parliamentarian that the wording of the unanimous-consent agreement precludes my following that course in this particular instance.

That fact, however, does not change the reason for the adoption of that rule by a vote of the full Committee on Appropriations. The reason for that rule is that too often, as in this case, amendments which are legislative in character are offered on the floor of the Senate without their having been submitted to the Committee on Appropriations or to a subcommittee of that committee; without their having been subjected to a hearing by the Subcommittee on Appropriations; and without the enactment of legislation to provide the course that has been suggested in the legislative amendment. The amendment now before the

Senate is an illustration of what could happen if such a course were followed.

Earlier this year, a bill, S. 1588, was introduced. It was proposed as a draft bill by the Department of Agriculture and introduced as an administration measure to increase the pilot land use program which Congress enacted a year ago and which is now in effect, under which less than 1 million acres have already come under the purview of that land use program. Pursuant to the bid basis provided therein, that acreage is receiving about \$6 to \$6.50 annually an acre for retirement.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. MUNDT. Is the Senator referring to title I of the Agricultural Act?

Mr. HOLLAND. I am referring to the land use program, under which the annual program authorization was for \$10 million only. It is that program which S. 1588 seeks to increase, in the belief that much of the acreage now in the conservation reserve program can be brought into retirement for a longer period of time under that program. That bill, S. 1588, has been subjected to hearings by the subcommittee, of which several of the authors and supporters of the proposed amendment are members. That subcommittee consists of the following Senators from the majority side:

The Senator from South Carolina [Mr. JOHNSTON], chairman; the Senator from Florida [Mr. HOLLAND], the Senator from North Carolina [Mr. JORDAN], the Senator from Georgia [Mr. TALLMADGE], and the Senator from Minnesota [Mr. MCCARTHY].

The following members of the subcommittee are from the minority side: The Senator from North Dakota [Mr. YOUNG], the ranking member; the Senator from Iowa [Mr. HICKENLOOPER], and the Senator from New Mexico [Mr. MECHEM].

S. 1588 has been subjected to hearings, and the hearings before the subcommittee have been completed. The record of the hearings has been printed, and I believe it is available to Senators. I have a copy of the printed record before me. I assume that copies may be obtained by any Senator.

As I understand, the subcommittee is ready to act on that bill. In the meantime—and this illustrates the vice of the presentation of legislative amendments—the impatient advocates of that bill, or some of them, have proposed this legislative amendment on the floor of the Senate for the first time, without its having been considered by either the subcommittee or the full Committee on Appropriations. It is a perfect illustration of how the presentation of legislative amendments to an appropriation bill may bypass and make futile legislative measures which are of far-reaching effect, and bring on action before complete information is given.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. MUNDT. Does not the Senator agree that the bill to which he has alluded

ed, and on which hearings were held, did not deal with a continuation of the present soil bank acreage or a preservation of the existing status? The bill to which the Senator alludes seeks to expand the authority Congress enacted in title I of the Agricultural Act last year, which envisions an expansion of retired acreage by inducing new acreage to come into this type of contract. It provides for new aids and purposes in addition to those which are permitted under the existing soil bank contracts.

Mr. HOLLAND. The Senator is correct. The bill S. 1588 suggests an enlargement of the land-use provisions of the bill enacted last year. Yet the particular subject which is embraced in the pending amendment was specifically considered by the subcommittee, as the Senator will find on pages 4 and following of the hearing record. No doubt the subcommittee will give serious consideration to exactly the same proposal as is suggested by the amendment offered by the distinguished Senator from South Dakota.

In fact, a recommendation that it do so is made therein.

Mr. ELLENDER. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I am glad to yield to the Senator from Louisiana, the chairman of the Legislative Committee on Agriculture and Forestry.

Mr. ELLENDER. Mr. President, I was very hopeful that the Senator from South Dakota would not press for adoption of this amendment. To my way of thinking, it is out of place in an appropriation bill. Furthermore, as the Senator from Florida has just stated, this matter is receiving the active consideration of the special subcommittee. The hearings have been completed and the committee as a whole took up the matter at its last sitting, last Wednesday. Because of the fact that the subcommittee had not reached a conclusion, the committee decided to give it a little more time, in order to try to get the opposing parties together, so that the committee could report to the Senate a bill that would be acceptable to the majority of the committee.

I wish to give assurance to the Senator from South Dakota that if the subcommittee—which, as I have said, has been active in trying to solve the problem—were to state that it had reached a conclusion, but would like to have the whole matter turned over to the committee as a whole, I, as chairman of the Committee on Agriculture and Forestry, should be glad to call a special meeting of the committee, to the end that a bill might be reported without any delay.

Mr. President, I do not know what the subcommittee will do. However, as the Senator from Florida stated, there is a move to add to the present law. This new move is being violently opposed by the cattlemen. As was stated by the Senator from Florida, it may be that the committee will do exactly the same thing the Senator from South Dakota is attempting to have done by means of this appropriation bill.

If the Senate were to make the mistake of adopting this amendment, I am

sure the House would not accept it; and it might further delay the taking of action by the subcommittee of the Committee on Agriculture and Forestry.

So I ask the Senator from South Dakota not to press for adoption of the amendment, but to let the Senate act on the appropriation bill as it came from the full committee.

Mr. MILLER. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I am very glad to yield to the Senator from Iowa.

Mr. MILLER. The Senator alluded to Senate bill 1588. Do I correctly understand that under that bill, grazing would be permitted on the acreage that would be retired?

Mr. HOLLAND. That is correct; and that is why the subcommittee hearing record shows that objection was made to that provision, not only by cattlemen, but also by various other large agricultural groups, and that action on an amendment quite similar, if not identical, to the one offered by the distinguished Senator from South Dakota was offered, and that amendment is now pending before that subcommittee.

The point I am making is that the pending proposal before the Senate now is to the effect that the subcommittee be deprived of its chance to act upon the matter; that the full legislative committee be deprived of its chance to act upon the matter; and that the conference committee—if the pending amendment is adopted by the Senate—be presented with the impossible task of retaining the amendment in the conference, although it had not been subjected to a hearing by the Appropriations Committee of the other body, and although approximately \$219 million of expenditures would be authorized, without the holding of a hearing on this matter before either the subcommittee or the full committee, and without permitting either the subcommittee or the full committee—by means of appropriate action by the Senator from South Dakota, who is an active member of both the subcommittee and the full committee—to have a chance to deal with the amendment.

I heard nothing of the amendment in the committee deliberations—and I did not miss any of the hearings or any of the committee meetings, and I am certain it was not brought up. If I be under any misapprehension at all in connection with this matter, I ask that I be corrected, either by the distinguished Senator from North Dakota [Mr. Young], the ranking minority member of that subcommittee, or by the distinguished Senator from South Dakota [Mr. Mundt], who is an active and valuable member of both the subcommittee and the full committee.

I do not like such procedure, because it looks like a bypassing of committees which have been very active and have done very hard work. Senators should consider the two bound volumes which show what was covered in the hearings, and the long report of the committee accompanying the bill. Under these circumstances, the submission of such an amendment at this time, thus depriving

the legislative committee of jurisdiction, and overlooking the fact that either the subcommittee or the full Committee on Appropriations, or both of them, could have considered this matter, if it had been suggested before either of them or both of them by the advocates of this amendment, just does not follow the path of careful, cautious, and deliberate legislation.

Mr. MILLER. Mr. President, will the Senator from Florida yield again to me? I wish to expand on this point.

Mr. MUNDT. Mr. President, inasmuch as my name has been mentioned, will the Senator from Florida yield to me?

Mr. HOLLAND. I yield now to the Senator from Iowa. In a minute or so, I shall be glad to yield to the Senator from South Dakota.

Mr. MILLER. Mr. President, I join the Senator from Florida in his concern over the bypassing of the committee and over the failure to permit it to have sufficient opportunity to consider some of these proposals. Certainly he must realize that almost 7½ million acres will be out of the soil bank by the end of this year. Certainly he realizes that many of us have received letters from many farmers who wish to know what to do, because the fall plowing time has come, and they want to know whether they should plow these acres and return them to cultivation, or whether to wait and to hope for a continuation of the soil bank.

One reason why I am one of the co-sponsors of the amendment is that I believe the time for the committee to act is past due.

In that situation, I hope the Senator will understand that while I join with him in wishing to have the usual procedure followed in connection with such matters, on these things, I believe there does come a time when we cannot continue to wait. Certainly the thousands of farmers who are concerned about this situation expect us to take action. It is now long overdue.

Mr. HOLLAND. I thank the Senator. I certainly have no personal feeling at all about the matter. It is clear that it was not the duty of the Senator to bring this matter before the Appropriations Committee, because he is not a member of it. However, I call attention to the fact that the amendment does not deal only with acreage which will go out of the soil bank or the conservation reserve on December 31 of this year; it also deals with acreage which will do so on December 31 of the next year. I do not understand the great hurry about this matter.

Furthermore, the amendment provides for a 2-year extension—not just a 1-year extension—of a rate of pay per acre twice as large as that being paid under the land-use program. So it is very clear that the amendment far transcends any action necessary in order to meet any situation which may develop by December 31 of this year.

Therefore, I stick by my guns in saying that I feel that the able and delightful Senator from South Dakota might have taken his colleagues on the subcommittee, or those on the full committee, into his confidence at least to the extent of

discussing this matter with them, so we might have had an opportunity either to join him or not to do so. But as the situation now stands, if it were not for the unfortunate wording of the unanimous-consent agreement, I would have to raise a point of order.

However, in any case I shall have to oppose the amendment, because of the insistent directions of the full committee and also because of my own feeling that it is not good legislative procedure to propose the inclusion of such amendments in appropriations bills.

Mr. MUNDT. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. BAYH in the chair). Does the Senator from Florida yield to the Senator from South Dakota?

Mr. HOLLAND. I yield.

Mr. MUNDT. Mr. President, to get out of the target circle for the moment and onto the firing line, because my name has been alluded to a great many times, I should like to respond to the suggestion before he yields to any other Senator.

Mr. HOLLAND. I am delighted, as always.

Mr. MUNDT. Entirely so. The Senator is correct. I am a member of the subcommittee; I am a member of the full Committee on Agriculture and Forestry. I could have offered the amendment in the full committee. The Senator knows what the vote would have been. I could have offered the amendment—and normally I would have offered it—and the action would have alerted my friend to the fact that the amendment would be forthcoming.

Why did I not offer it? I call attention to the fact that the report on this appropriation bill is dated September 12, 1963. That was the date that the full committee brought the bill up. I could have offered it at that time. I could have offered it the day before. I believe that the day before the subcommittee reported the bill and adjourned. Why? I did not do so because I continued to cherish the hope that the laborious legislative procedures which have been described today by the chairman of the Senate Committee on Agriculture and Forestry and by the Senator from Florida [Mr. HOLLAND] would bring forth some solution to the problem.

However, 18 additional days have elapsed. During those 18 days I called both committees of the Senate and the House. I asked, "What is being done about the soil bank acres?"

Every day I receive reports that soil bank acres are being plowed under—day after day and week after week. Eighteen days have elapsed and nothing has been done. That is the reason why I took the unusual procedure of moving, at the only time it could be done effectively, after a long lapse of time had made it impossible to get results early enough to be effective. I would not have offered the amendment today if a legislative proposal had been brought to the Senate. I would have offered the amendment in the committee if I had anticipated that the delay would continue so long that acres would be plowed under. This is the last opportunity the

Senate will have, in time to be fully effective, to voice its will on the question.

If the Senator from Florida really believes that one of his reasons for opposing the amendment involves the fact that approximately 2½ million acres expiring a year from now will be included, I shall be happy to accept an amendment which would limit my amendment to the acres expiring in December of this year, and we could march hand in hand down the aisle in unanimous effort. Does the Senator really feel that the amendment should not be adopted because included in the amendment is the second year allotment at 2½ million acres?

Mr. HOLLAND. In the first place, the Senator is incorrect, because the number of acres going out of the conservation reserve on December 31, 1964, is 3,348,160.

Mr. MUNDT. If those acres were eliminated from the amendment, would the Senator then withdraw his opposition so that the Senate could agree on the amendment?

Mr. HOLLAND. No.

Mr. MUNDT. Can we agree with relation to the problems which are now before the Senate?

Mr. HOLLAND. That makes the action more reasonable, but not entirely reasonable, because the hearings on S. 1588 were not concluded until September 6. The markup on the bill in the subcommittee was September 11, and in the full committee September 12.

Mr. MUNDT. And 18 days have elapsed between then and now.

Mr. HOLLAND. Yes.

Mr. MUNDT. Nothing has been done to solve the soil bank problem.

Mr. HOLLAND. The Senate has been engaged in constant debate since that time, as the Senator knows.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield to the Senator from Louisiana.

Mr. ELLENDER. The distinguished Senator from Iowa [Mr. MILLER] seems to think that the Committee on Agriculture and Forestry has been negligent in not acting earlier. The reason why nothing was done sooner was the hope that a House bill would be enacted. We have been waiting for the House to pass a bill on the subject. I still hope that the House will enact such a bill. To be frank, recently when we saw that action was being delayed, we held hearings so that when the Senate heard from the House, the Senate could act without delay. But up until now, as I have said, the House has not acted. I am positive that if the language that the Senator from South Dakota [Mr. MUNDT] is advocating should become a part of the bill, the House would not accept it. It would be futile to take the action requested. As I have said, Senators can act as soon as the subcommittee makes a decision. Speaking for myself only, I would be inclined to go along whether the House acts or not. I would suggest that we send the bill back to the House and let us see what action would be taken by the House.

Mr. MILLER. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. MILLER. I should like to say two things to the Senator from Louisiana. First, I would not wish to have what I have said interpreted as criticism or a suggestion of negligence on the part of the committee, or particularly negligence of the chairman. I am quite sure that what the chairman has done has been in the utmost of good faith. I understand that there has been hope that the House would act. Nevertheless, there comes a time when the Senate should assume leadership on the question and get something done. Whether or not the House would take action on a Senate-passed bill is a pertinent question. We have an opportunity to make a great effort to act. The House will certainly act on the agriculture appropriations bill. Whether it would accept an amendment like the one proposed in conference, no one knows. The Senator from Louisiana has said that the House would not. But I am not so sure about that, particularly if a number of House Members are equally concerned about the soil bank problem, which has become quite acute. So this is the time for the Senate to take action, in the hope that the House will act.

If the House would not go along with the amendment, action by the Senate Committee on Agriculture and Forestry on a separate bill would become an exercise in futility.

Mr. HOLLAND. Mr. President, I reassure my friend the Senator from Iowa that the suggestion about the House being reluctant to pass Senate bills does exist in certain other fields. It does not exist in the field of agriculture and forestry. A great many of the bills which are enacted in regard to agriculture originate in the Senate. That question will not arise.

Second, I heard my distinguished friend the Senator from South Dakota, always resourceful, comment on the fact that he feared that the full Committee on Appropriations would have voted down the amendment because so many of the members of that committee come from urban areas. I suggest to him that he would jump from the frying pan into the fire if he should think that the House would be more likely to be friendly to the measure than the Senate committee or the full Senate, because the representation of the urban communities of the Nation is so vastly disproportionate in the House as compared with what it is in the Senate that the two cannot be compared.

In perfect good humor, the Senator from Florida did not favor the bill, S. 1588. He did favor the approach embodied in the amendment, plus some other things. The bill S. 1558 goes further than to cover the present subject. He could so vote in the subcommittee, in the full committee, and on the floor of the Senate. He does not believe that the amendment, which would go much further than is necessary in the first instance, that is involving the contracts which expire next year, and come for

the first time to the floor of the Senate as a legislative amendment to a privileged appropriation bill—a bill which involves every agricultural factor in the country and many other factors not agricultural in connection with our foreign relations and in connection with various welfare programs—should be accepted. For that reason I object to it.

Replying to the question addressed by the Senator from South Dakota, if the amendment were so reduced as to apply only to the acreage coming out this year, and if it provided only for a 1-year extension, it would then be an obvious minimum effort. As such, it would be easier to stomach than the amendment as now written. As it is now worded, it is not an obvious minimum effort.

I do not find it easy to stomach at all, because I think it is an improper practice. So far as I am concerned, I am not willing to accept it. I will, however, defer to my friend the Senator from Louisiana, the chairman of the legislative committee, on this subject, if he has any strong feelings about the matter.

I invite the attention of the Senator from South Dakota to the fact that there is the possibility that S. 1588 will be reported in a revised form and be passed. I have already indicated my own feelings with reference to that bill. I believe the feelings of the distinguished chairman of the committee are much the same as mine. I know other members of the committee feel that way, including the Senator from South Dakota [Mr. MUNDT] and the Senator from North Dakota [Mr. YOUNG], both of whom are in the Chamber.

If that effort should fail, there would still be a supplemental appropriation bill to come before the Senate, and there would be ample time for Senators to take other members of the Committee on Appropriations into their confidence and discuss the subject, if it becomes urgent by that time. That course was not followed in this instance.

I cannot yield on the question of what is responsible legislation. It is not responsible legislation to come before the Senate with a legislative enactment which would go much further than necessary to meet an emergency situation, in the face of the fact that the legislative committees have been diligent, have completed hearings, and are ready for action, and in the face of the fact that the able chairman of the legislative committee assures early action in the committee. As chairman of a responsible subcommittee of the Appropriations Committee, I think it would be impossible to follow the proposed course.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield to the Senator from South Dakota.

Mr. MUNDT. Because of my affection and admiration for the Senator from Florida, I hope he will not rest his opposition to the amendment on the foundation that the legislative committees are about to act. He would be on much firmer ground if he would stick to the formalistic argument that, after all, it is legislation on an appropriation bill,

and that customarily Senators are against that procedure.

The reason why that procedure is provided for in the rules of the Senate, however, is to meet precisely the kind of emergency situation we now confront. By the time the supplemental appropriation bill comes before the Senate, more days and weeks will be gone, and more acres will be plowed under. This is why the rules provide for this type of emergency procedure.

The Senator from Louisiana has very properly said that the committees have been slow in reaching this legislation. The House has failed to agree on a program. So has the Senate. I would not wish to see my friend in the position of opposing the amendment with the assumption going out to the country that the legislative committees are going to act this week, or next week, or the week after, or on any other date certain, because no one can predict such action. In the meantime, every day we are losing valuable contracted acres, and they are going into production.

This is an emergency. The rules of the Senate properly provide for this kind of a procedure on an appropriation bill to meet this kind of emergency. I hope we measure up to our present responsibilities and approve this amendment.

Mr. HOLLAND. Mr. President, there are rules and traditions in the Senate. I shall read from the rules of the Appropriations Committee. This is a rule adopted for the guidance of all members of the committee in the handling of bills on the floor of the Senate, submitted by the chairman and adopted on December 18, 1931. It has been the rule ever since that time:

Any member or ex officio member of the Committee on Appropriations of the Senate who is in charge of an appropriation bill, is hereby authorized and directed to make points of order against any amendment offered in violation of the Senate rules on the floor of the Senate to such appropriation bill.

I am only sorry that the unanimous-consent agreement, as it was drafted—due to someone's neglect; and I do not know whose—did not include the customary words that "no points of order shall be waived."

Those words are customarily included in such unanimous-consent agreements. At any rate, they were omitted. I cannot raise the point of order. In opposing this amendment, I can stand upon the substantial matter of judgment and conscience; deliberation in the passage of legislation; consideration of legislation by legislative committees first; and action by the Congress upon the recommendations of legislative committees. I shall do so.

I am particularly sustained in my feeling that I should take that position by the position of the chairman of the full Committee on Appropriations, the Senator from Arizona [Mr. HAYDEN], and by the position of the distinguished chairman of the Legislative Committee on Agriculture [Mr. ELLENDER], who has legislation on this subject under his responsibility. I could not yield on that point.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield to the Senator from Oregon.

Mr. MORSE. I have just come to the floor of the Senate. I am not sure that I have all the facts available, but it is my understanding that the Senate finds itself in a situation in which a unanimous-consent agreement was entered into and the yeas and nays were ordered. Senators are not in a position to raise a point of order against the proposal of the Senator from South Dakota, which, without any question, involves legislation on an appropriation bill.

I was not present when the unanimous-consent agreement was entered into, but if those of us who had nothing to do with this kind of unanimous-consent agreement are caught in this kind of technicality, whereby there can be legislation on an appropriation bill by majority vote without the requirement of a suspension of the rule I now serve notice on the Senate that this is the last unanimous-consent agreement on any matter that will be entered into so long as I serve in the Senate, because I do not intend to have my rights as a Senator in regard to the existing rules of the Senate taken away from me by this kind of "gimmick." The protection of the Senate from legislation on an appropriation bill is a precious and important right to every Member of the Senate. If we are in a position this afternoon that this kind of indirection can be successful, I serve notice on the leadership that they have obtained the last unanimous-consent agreement on any matter so long as I serve in the Senate, because I do not intend to have my rights under the rules of the Senate taken away by this kind of procedure. Either Senators are to have the right this afternoon to vote on this question by way of a motion to suspend the rule, or the leadership have obtained the last unanimous-consent agreement they will ever get so long as I serve in the Senate. I mean it. I never make threats. I merely state the facts.

Mr. HOLLAND. Mr. President, I thank the Senator for stating his position. I feel very much put out about this matter. I do not know how the unanimous-consent agreement came to be worded in the way that it was worded, without the inclusion of the customary words in such unanimous-consent agreements that "no point of order shall be waived." I am quite prepared to feel that it was not an act of deliberation on the part of any Senator.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield to the Senator from Minnesota.

Mr. HUMPHREY. I have listened to the remarks of my colleague, the Senator from Oregon [Mr. MORSE]. I have heard some of the colloquy engaged in by the Senator from Florida [Mr. HOLLAND.] I have just conferred with the Senator from South Dakota [Mr. MUNDT]. I wish to make the RECORD clear.

On Thursday last, when the unanimous-consent agreement was arrived at, the Senator was discussing the appropriation bill for the Department of Agriculture. It was well understood by all Senators that if there were an effort to have legislation on an appropriation bill, first, if such an amendment were offered, a point of order would be raised. Senators who seek to have legislation on an appropriation bill file notices of intention to move to suspend the rule. There is at the desk a notice of intention to move to suspend the rule.

The Senator from Minnesota, as the acting majority leader on that day, sought to obtain a unanimous-consent agreement, and did so on the basis of the time related to the debate on the matter of the suspension of the rule, which would permit the Mundt amendment to be voted upon. If one wishes a strict legal interpretation of the unanimous-consent agreement, there is no doubt that, if one holds to the technical aspects of it, it provides that there shall be a ye and nay vote after 1½ hours of debate on each side on the Mundt amendment. But I am sure the Senator from South Dakota, who is an honorable man, recognizes the situation that prevails and the frame of reference in which this unanimous-consent agreement was arrived at.

It is understood by Senators that the rule provides that on appropriation bills legislation can be adopted only by a two-thirds vote, that a point of order prevails against legislation on appropriation bills, and that if it is wished to have legislation on appropriation bills a Senator must file a notice of a motion to suspend the rule, which requires a two-thirds vote.

In light of that fact, I am sure that when the Senator from South Dakota discusses the matter with his cosponsors, there will be no trouble, because Senators cannot operate without honor among men. Although we must recognize the rights of each Senator, we must also recognize that good faith is involved when unanimous consent agreements are arrived at.

If Senators will be patient with one another, I am sure the problem can be met. I have every reason to believe it can. I do not believe any Senator wishes to win a point by technical application of a rule when he knows what the situation is.

I discussed the matter of a unanimous-consent agreement several times on last Thursday. I say on my honor as a U.S. Senator that it was clearly understood what the situation was with respect to the appropriation bill; about the filing of a notice for the suspension of the rules; and that it had been indicated that a point of order would be made against the proposal in the nature of legislation on the appropriation bill. A point of order had been made on another matter. A move for a suspension of the rule was defeated. So it was not as if Senators did not know what point was involved.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MORSE. My comments do not relate to the Senator from South Dakota at all.

Mr. HUMPHREY. I understand.

Mr. MORSE. The Senator from South Dakota had filed his notice of a motion to suspend the rule. My point was that Senators were caught in a technical situation the like of which had not arisen in the memory of any Senator; namely that a unanimous-consent agreement had been adopted that did not have language in it to protect all the rights of Senators under the rules. I want the record perfectly clear that my comments have nothing to do with the Senator from South Dakota.

My only comment is that the unanimous-consent agreement was agreed to by action of the Senate, although I did not happen to be present. The Senator from Florida, for example, than whom there is no more cautious and circumspect Member of this body, was not advised that he was giving up any right under the rule with respect to suspension of the rule.

Unless these prospects are mutually agreed to, so that the rights of Senators under the rules can be protected, Senators can forget about any more unanimous-consent agreements. I am not so sure that it would not be well to recess the Senate, because this matter is very important to the rights of all of us, so that the leadership of the Senate, and, if necessary, the two policy committees of each of the parties, can get together for a discussion as to an agreement which can be reached which will protect Senators with regard to the suspension of the rule.

Mr. HUMPHREY. If the Senator will yield, I do not think that is necessary. I have the feeling that Senators will all be fair and just and that this unfortunate situation can be readily corrected. I put my complete confidence in the good sense and the sense of fairplay of every Member of this body, which is the only thing which enables the Senate to function.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. HOLLAND. I shall yield in a moment.

Mr. MUNDT. I yield to the Senator from Iowa.

Mr. HOLLAND. Mr. President, I still have the floor.

The acting majority leader has pleaded for patience. I think I have shown as much patience as any Senator can have. On Thursday I agreed to have the bill go over until today, because Senators of both parties were traveling in various parts of the country. I agreed to the delay with the understanding that the bill would be disposed of today. I agreed to the unanimous-consent agreement. The only mistake I made was that I did not insist upon seeing the final form of the unanimous-consent agreement, which normally contains certain words which were not contained in this one.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. LAUSCHE. The consent agreement is defective also because it barred all amendments. I had in mind an amendment. I looked at the consent agreement, and I found I was barred from offering it unless I offered it as an amendment to the Mundt amendment.

Mr. HOLLAND. I agree that the situation is unusual, but that situation was brought to the attention of the Senate on Thursday afternoon.

Mr. HUMPHREY. Several times.

Mr. LAUSCHE. But other Senators were not present after Senators were told there would be no more votes. Next morning Senators found themselves in a situation in which they were barred from offering amendments. There are two weaknesses in the agreement.

Mr. HOLLAND. There are at least two irregularities as compared with the normal consent agreement.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. HOLLAND. To continue with my lament, I agreed to have the bill go over until Monday notwithstanding that I had scheduled two speeches under very attractive auspices in my State today, and I so notified the leadership. I had to cancel both.

The Senator from South Dakota and I had no difference of opinion, because both of us, in discussing this matter before it came up, agreed that a point of order could be made, until, on consultation with the Parliamentarian, we learned that, under the unfortunate wording of the agreement, that did not happen to be the situation under this agreement.

Something happened that made persons who generally very carefully draft unanimous-consent agreements to be less careful this time, because of the omission of the words "saving points of order."

So far as the Senator from Florida is concerned, he is familiar with the Senator's attitude. The Senator from Florida is a member of both the legislative committee and the Appropriations Committee. The Senator from Florida is perfectly willing to consider this question in the legislative committee if it has not been acted on before. But he cannot and will not yield in allowing this important legislation providing for perhaps \$219 million of additional expenditures, to come on the floor and be agreed to as a legislative proposal to this bill. He thinks it is very poor policy for the sponsors of this amendment in the face of the attitude of Senators on both sides of the aisle who, because of this situation, are forced to take positions against them, to insist upon going ahead with the programs under the prevailing situation.

I yield the floor.

Mr. MUNDT. Mr. President, I yield to the Senator from Iowa such time as he may desire.

Mr. HICKENLOOPER. Mr. President, I have no intention of taking a substantial amount of time on this amendment. I think Senators all understand what is provided. We are all aware of the agricultural situation which the amendment of the Senator from South

Dakota attempts to meet. We also know the deep, broad interest of the Senator from Florida in farm legislation. There is no more devoted advocate of sound, constructive agricultural legislation than the Senator from Florida. No one is better informed or more zealous or sincere in his attitude. I can understand his attitude on this point. If I were in his position as chairman of the subcommittee, I might be impelled to take the same position. I do not know.

I come from an area where the land retirement program is very important. It is also important to know, even before this time, whether contracts are to be renewed or permitted to lapse. It has been pointed out that 7½ million acres are going back into production. We receive letters from farmers every day asking, "What am I going to do? Shall I plan on a crop for next year or plan to keep these acres retired?"

Our great problem in agriculture has been overproduction. We have been trying to meet that problem by taking acres out of production, by reducing agricultural production under certain plans, and this is one means by which we have to a substantial degree met the surplus problem.

No one devotes more time to the problems of agriculture than does the Senator from Florida [Mr. HOLLAND]. No one votes more cosmopolitanly, across the board, in favor of agriculture, and no one votes less restrictively for his area's agricultural needs than does the senior Senator from Florida. He considers the needs of all sections of agriculture. He is a sincere supporter of agriculture. However, I cannot agree with him in his line of opposition to the renewal of these leases which would expire, according to the amendment, on either December 31, 1963, or December 31, 1964.

Anyone who has had anything to do with agriculture knows that a farmer does not make a plan today and put it into effect tomorrow, the next calendar day. The farming operation is an operation of programming. Most farmers I know program at least 3 to 5 years ahead of time. They lay out their crops. They lay out their soil renewal programs. They lay out all these programs some years in advance. They do that if they are successful farmers. Of course, if they are fly-by-night farmers, they do not care. Farmers must know whether they should hold back acres now vacated and unproductive under the retirement program, or let them go back into production next year. Should farmers plow them up or should they recontract for an extension? That is the question that confronts the farmers.

We have heard a great deal about the Committee on Agriculture and Forestry. I am a member of that committee. I am a member of the subcommittee which is concerned. I have great respect for the chairman of the Committee on Agriculture and Forestry, even though I do not always agree with him on every matter that is considered by the committee.

There is some serious disagreement on the method of approaching these agricultural problems. That does not affect the chairman's sincerity or his desire to have an effective program.

There have been two or three controversies. There is S. 1588, for example, which is in abeyance at the moment. It is in committee, and has been for a considerable length of time. Another proposal has come before the committee, and has been referred to the subcommittee. It is a proposal which is totally unacceptable from the standpoint of the welfare of the whole retirement program. It would retire acres, but would allow them to be grazed. That would defeat the purpose of the program. It would not allow them to be cropped, but it would permit them to be retired, while at the same time they could be grazed for livestock production. In a way, it is a selfdefeating program that is being proposed. Two or three proposals are before the committee.

Tomorrow is the first of October 1963. It is not the spring of 1963. This is not a year before these contracts expire. This is only 3 months before they expire. The farmers today are planning their programs for next year. The farmers cannot wait for the House to originate some measure and send it to the Senate. It is time to meet the emergency. We can add the amendment to the pending bill and send it to the House. If the other body does not see fit to take it, let the responsibility be on its head. Let the farmers know where the failure lies for a renewal of the contracts on the already retired acres. Let us find out where the responsibility is. Let the farmers know why they cannot plan for next year on the acres that are now retired. Let them know why they do not know what they can do next year. This is the time to act.

I respect the zeal with which committee members protect their committee. In most instances, the committee prerogative should be respected and preserved.

However, time and again—not every day, but repeatedly—amendments are added to bills, even though the amendments have not necessarily been given full consideration by a committee. They are amendments that are considered to be necessary corrective amendments. This is such a case. We are confronted with a case in which the farmers have 7½ million acres under retirement, which are going out of retirement and back into production. We must take action to authorize an extension of such contracts, so that those who wish to extend the contracts, under the proper terms and conditions which the Government lays down, can do so. This is the time to enact the proposed legislation. If we wait until the other body takes its own time and sends legislation to the Senate, and it then goes through the committee process, we shall see Christmas come and go; we shall see the end of the contract period come and go. We shall see acres come out from under retirement before any action can be taken to correct the situation and continue the contracts.

We are faced with an emergency. Seven and a half million acres are concerned. It is a question whether the acres shall continue in retirement and thus avoid adding the production of such acres to the surplus problem. This is an emergency operation.

We have heard considerable discussion about the unanimous-consent agreement. I do not know whether the suggestion has been made that there was some kind of hanky-panky in connection with the entering of the agreement. I do not believe there was. I was not present when it was entered into. I was not familiar with the terms. I do not know exactly what it provides. So far as I am concerned, it does not make any difference to me one way or the other. If some Senators feel they have been put upon, I am sure some kind of understanding can be reached. We must be fair about these things. I do not believe any Senator wishes to take advantage of any other Senator. So far as I am concerned, that is in the hands of someone else. I will abide by whatever is agreed upon by the Senators concerned.

The 7½ million acres are bound to go out of the program on the last of December, and that means a great deal to the agricultural plant. It is a question whether we should allow 7½ million acres more of production, a great problem that we shall have to wrestle with, involving more storage and more surpluses. Action should be taken now.

I am sure the committees of the two Houses are desirous of doing something about the problem. I know that their desire is that something be done about it eventually. However, as everyone knows, the machinery of Congress does not always move with lightning speed. We all know that the machinery in committees sometimes grinds more slowly than the mills of the gods.

When an agricultural bill is introduced in the other House and it goes through the machinery that an agricultural bill must go through, and then comes to the Senate and goes through the committee machinery here, and finally is submitted to the tender mercies of the conference committee, we can well imagine that the Christmas goose will hang high, and we shall be greeting the new year, perhaps, without any legislation on this subject being enacted. In the meantime these acres will go into production and the surplus problem will mount. That is what will happen if we do not act now. This is the time to do it. The proposal before the Senate is really nothing but a simple extension. I think it should be granted, with all due respect for the cooperative attitude of the committee of which I am a member, and for the zealous, sincere members of that committee, in spite of our disagreement on this particular subject.

I thank the Senator from South Dakota for his indulgence.

Mr. MUNDT. I thank the Senator from Iowa for his valuable contribution, coming as it does from a member of the Committee on Agriculture having vast experience and representing, in part, the great farm State of Iowa. He has emphasized the urgency of our action today.

Mr. HOLLAND. Mr. President, I express my appreciation to the distinguished Senator from Iowa for his kind words about me.

Mr. MILLER. Mr. President, will the Senator from South Dakota yield?

Mr. MUNDT. Mr. President, I yield to the junior Senator from Iowa such time as he may require.

Mr. MILLER. Mr. President, the purpose of the pending amendment, of which I am a cosponsor, is to continue for another year the conservation reserve contracts for the soil bank which would expire this year and next year.

The attitude of the Department of Agriculture seems to be that land covered by contracts which expire this year should be shifted into the land-use adjustment program authorized by the Food and Agriculture Act of 1962. This is a highly controversial proposal. Congress saw fit last year to provide for a pilot program limiting to \$10 million the annual amounts which could be extended for this purpose. There has not been much time for the pilot program to be tested. Furthermore, deep concern has been expressed over moving soil bank land into a program which permits grazing of the land, and this has contributed

to the failure of the House to take action this year.

The sponsors of the amendment say, in effect, that pending the resolution of the controversy, we should permit farmers whose soil bank contracts expire this year and next to continue in the soil bank program. With more time, a more permanent solution probably could be satisfactorily arrived at. We think this is good business for the Government, because the land in the soil bank has been retired at an average cost of \$11.85 an acre; whereas the cost per acre of land being taken out under the feed grains program has been in excess of \$27 an acre. It is expected that many of the farmers and ranchers whose contracts expire this year will see fit to remain in the program for another year. They are geared into the soil bank program, and a considerable amount of their land

would not bring the average income under the present feed grains land retirement program anyhow. The lower cost to the Government, of some \$6 to \$7 per acre, for retirement of the land for recreation and other uses, is offset by the aggravation of our feed grains surplus situation through grazing opportunities on such land. There are 7.5 million acres of farm land scheduled to come out of the soil bank program this year, of which more than 2.2 million acres are in the Midwest and 372,000 acres are in my own State of Iowa. The immensity of this program is indicated on a table dated "5/23/61," prepared by the Soil Bank Division, of the Department of Agriculture. I ask unanimous consent that the table be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follow:

1956-61 conservation reserve program: Estimated reserve acres for which contracts expire each year, by States ¹

State	Acres released as of Dec. 31										Total acres in reserve
	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	
Northeast area:											
Connecticut.....	119	29	2,838	619	36	13	53	513	461		4,681
Delaware.....	356	95	8,662	3,023	92	352	166	5,053	524		18,323
Maine.....	7,725	8,148	19,339	16,584	173	1,636	8,586	31,740	27,867	756	122,554
Maryland.....	7,694	2,660	43,638	13,093	185	914	1,010	10,674	4,724		84,592
Massachusetts.....	73	28	1,254	380	27	25	10	455	442		2,694
New Hampshire.....	28	25	1,307	509		40	177	5,116	4,561		11,763
New Jersey.....	2,367	1,297	26,260	14,675	29	249	86	2,184	2,086		49,183
New York.....	29,741	15,657	147,679	75,619	1,111	5,340	7,267	107,372	106,467	6,084	502,337
Pennsylvania.....	16,336	7,926	150,697	82,492	615	1,713	2,491	50,236	53,602		366,162
Rhode Island.....	18		11	25				8			62
Vermont.....	31	44	4,011	2,497	220	155	1,359	13,398	10,946		32,661
Virginia.....	8,173	1,436	42,838	22,567	1,178	1,496	1,106	22,921	13,600		115,315
West Virginia.....	1,260	808	22,424	11,305	292	79	1,429	13,438	7,240		58,275
Southeast area:											
Alabama.....	8,148	3,534	81,911	40,292	382	17,911	29,982	133,577	92,198		407,935
Arkansas.....	25,351	19,888	198,871	83,136	1,338	7,494	24,827	159,785	77,700		598,390
Florida.....	6,924	3,170	12,818	18,653	256	38,851	21,543	68,439	58,554		229,208
Georgia.....	16,543	11,774	103,699	71,539	1,508	74,366	152,108	372,116	255,410		1,059,063
Louisiana.....	4,011	2,258	54,528	26,942	444	6,884	30,158	69,013	24,825		219,063
Mississippi.....	27,542	21,432	127,253	28,672	1,071	12,309	14,980	65,489	25,297	191	324,236
North Carolina.....	3,851	3,433	70,423	59,613	309	12,858	15,467	73,354	30,337		269,635
South Carolina.....	9,367	4,898	54,759	54,921	456	21,649	60,761	201,100	227,950		635,861
Tennessee.....	12,994	12,585	152,556	78,738	1,468	8,472	14,323	134,003	80,738		495,877
Midwest area:											
Illinois.....	11,835	2,846	275,624	87,183	918	2,032	749	43,734	11,445	345	436,711
Indiana.....	18,251	4,332	267,069	118,895	4,290	1,169	437	54,322	24,520		493,285
Iowa.....	47,804	13,789	372,195	168,150	2,308	1,026	942	34,998	17,019		658,231
Kentucky.....	8,726	3,949	168,804	68,802	1,085	1,349	2,218	99,962	32,911		387,806
Michigan.....	38,913	15,614	286,739	162,434	1,410	8,100	5,330	95,804	93,726		708,070
Missouri.....	33,645	30,727	283,410	160,507	2,095	5,568	4,270	87,323	82,862		828,862
Ohio.....	21,504	6,663	246,321	140,062	1,010	1,254	792	50,552	48,411	50	516,619
Wisconsin.....	42,657	14,004	306,083	171,622	1,026	11,831	6,927	105,678	88,987	105	748,920
Northwest area:											
Idaho.....	13,397	6,421	93,620	44,255	2,507	6,535	1,485	83,748	39,347	225	291,540
Minnesota.....	194,766	167,131	607,352	186,368	8,894	189,556	136,809	304,267	105,984	2,049	1,903,176
Montana.....	29,988	14,503	142,191	59,587	2,921	13,891	14,450	224,883	124,989		627,403
Nebraska.....	42,435	17,022	349,887	144,540	2,488	10,124	7,396	218,394	83,839		876,125
North Dakota.....	199,662	130,617	513,792	402,433	8,316	199,804	129,771	571,752	548,512		2,704,719
Oregon.....	19,066	10,365	84,959	36,372	1,418	8,987	6,453	40,714	24,735		233,069
South Dakota.....	151,661	85,374	410,602	335,511	5,911	54,448	37,831	425,490	315,245		1,822,073
Washington.....	9,860	13,761	114,268	45,332	3,871	3,056	10,971	95,616	39,299		356,034
Wyoming.....	14,322	2,935	32,503	10,756		3,827	1,396	44,342	14,325		124,406
Southwest area:											
Arizona.....	4,676	477	438			1,739	431				7,761
California.....	16,223	7,470	89,546	36,586	3,103	1,801	1,427	32,937	11,740		200,833
Colorado.....	99,576	40,891	137,784	30,497	3,434	178,528	82,845	604,114	122,212		1,299,881
Kansas.....	72,390	79,120	344,243	110,378	11,179	78,191	94,193	412,997	247,283		1,449,974
Nevada.....											
New Mexico.....	85,986	14,211	13,813	470	251,424	308,208	113,288	77,559	360		865,319
Oklahoma.....	136,561	83,952	334,079	155,760	4,938	129,087	81,612	341,844	225,842		1,493,675
Texas.....	647,503	205,321	644,624	255,606	211,250	495,680	220,696	697,746	276,691		3,655,117
Utah.....	22,352	6,399	44,201	13,955	841	45,293	10,077	66,858	24,089		234,065
United States.....	2,172,411	1,099,019	7,491,923	3,651,955	547,827	1,973,950	1,360,675	6,489,562	3,714,363	9,859	28,511,544

¹ Based on report from Data Processing Center of contracts on record Jan. 1, 1961, derived by dividing annual payment for each year of expiration for each State by the State average rental per acre for all land in the reserve in 1961.

Mr. MILLER. Mr. President, in the opinion of many cattle raisers, it would be unwise to shift all of the soil bank land into the production of feed grains or into improved pasture to be grazed, because this would tend to aggravate the feed grains surplus situation. Current

proposals to develop trade relations with the Soviet Union and other Iron Curtain countries relate to wheat, not to feed grains, which are our worst surplus-commodity problem. Also not to be overlooked is the fact that cattle prices have been depressed during most of this year,

and imports of beef and veal have more than doubled since 1960, the result being that today they are equal to almost 10 percent of domestic production. Under such circumstances, to have the Government subsidize the retirement of land and then permit it to be grazed in com-

petition with cattle raisers who are not receiving subsidies, would be unrealistic and unfair.

Action on this problem is overdue. Fall plowing is under way now. Thousands of farmers whose soil bank contracts expire this year want to know what to do. I hope the amendment will be incorporated into the bill now before the Senate.

Typical of the letters I have received from Iowa farmers are two which I ask unanimous consent to have printed at this point in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

OAKLAND, IOWA,
July 23, 1963.

DEAR SENATOR MILLER: There are a number of items up in Congress which bother me. I am particularly concerned about the possibility of land being taken out of the conservation reserve and turned back to grazing land.

We are not what is considered large cattle feeders, but it is still our means of making a living. With fat cattle prices being what they are this year, I feel that more grazing land would only tend to aggravate an overabundance of cattle more.

We would appreciate your support on getting this land back in the conservation reserve.

Sincerely,
Mr. and Mrs. KENNETH PARKHILL.

SOMERS, IOWA,
July 29, 1963.

Senator MILLER.

DEAR SIR: I think that it would be good to continue the Benson soil bank contracts. If the law is not passed soon, there will be a lot of it plowed up and produce good crops that will add to the surplus.

As ever,
A. W. MOELLER.

Mr. MILLER subsequently said: Mr. President, I ask unanimous consent to have printed in the RECORD following my remarks preceding the vote on the Mundt amendment an article from today's Wall Street Journal entitled "U.S. Crop Shipments Abroad Rise Sharply, Ease Payments Deficit."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FARM EXPORT SURGE: U.S. CROP SHIPMENTS ABROAD RISE SHARPLY, EASE PAYMENTS DEFICIT—TRADERS MOVE INTO MARKETS SOVIET CAN'T HANDLE—GAINS MAY HELP TRIM SURPLUSES—AID FROM FOREIGN AFFLUENCE

(By Joe Western)

WASHINGTON.—Even as a possible U.S. wheat sale to Russia takes embryonic form, American farm goods are swarming to foreign markets at rates surpassing expectations and topping records.

Wheat, feed grains, cotton, soybeans, and other products are heading abroad in growing volume, thanks mainly to general prosperity and disappointing crops in key foreign lands. Agriculture Department trade analysts are privately predicting that total farm exports in the marketing year begun July 1 could mount to as much as \$5.7 billion, the highest ever and well above the past year's near-record \$5.1 billion. Only a few weeks ago, they looked for just a tiny gain over last year.

One happy result is to boost this country's overseas earnings of dollars; a growing share of the shipments is going to customers who pay in hard U.S. currency. "The effect on our

stubborn balance-of-payments deficit should indeed be salubrious," smiles a key policymaker.

Too, there's a healthier chance now for cutting some U.S. farm gluts. Particularly steep gains are expected in exports of wheat and cotton, two of the most burdensome surplus items. Latest forecasts envision a leap of more than 40 percent in cotton shipments from the previous marketing year and a rise of roughly 15 percent in wheat. In the case of wheat, officials now look for the sharpest year-to-year shrinkage in stocks since the Korean war.

REPLACING RUSSIAN GRAIN

Russia's crop failures already figure significantly in the U.S. export outlook. The U.S.S.R. has been forced both to buy wheat from Canada and Australia and to withdraw as an important wheat exporter outside the Iron Curtain. Hard-selling U.S. traders are moving into the gap. As one direct result, Britain, Holland, Belgium, and West Germany lately have bought more than 4 million bushels of American bread grain for October and November shipment.

Less publicized phenomena are helping out. Bad weather has trimmed harvests not only in Russia but almost all across Europe this year. Damaging rains may cut Western Europe's 1963 wheat harvest to a post-World War II low of only 1.3 billion bushels, down from last year's record 1.6 billion. Free world stocks of some commodities, notably cotton, have been held low; now some rebuilding of cotton inventories is beginning in anticipation of tighter fiber supplies and bigger textile demand.

Growing populations in highly industrialized Japan and Western Europe now have increased cash to spend for more and better food and fiber. Free world treasuries are bulging with more gold, dollars and other foreign currency reserves than ever before. The latest tally, for the end of March, shows the total, not counting U.S. holdings, at \$49.1 billion, up from \$45.9 billion a year earlier.

ERASING A RECORD

The wealthy European nations, it's figured, will increase their dollar purchases of U.S. farm goods far more sharply than less rewarding exports elsewhere will rise; these include sales for soft currencies, barter deals and outright giveaways. Thus farm exports for dollars—excluding these other transactions—are expected to bound upward to around \$4 billion this marketing year, erasing the record of more than \$3.5 billion set last year.

Even before the new marketing year began, the export rise was on. Despite last January's paralyzing dock strike on the east and gulf coasts, total farm shipments from January through July totaled more than \$3 billion, a modest \$60 million gain from the 1962 pace. There's more of a surge when January is excluded; for the 6 months ended in July, the outgo came to more than \$2.8 billion, topping the year-earlier performance by \$200 million.

Nevertheless, even the most optimistic analysts caution that their predictions could go awry. For one thing, a coming U.S. Government report on the effects of smoking on health, if as unfavorable as some reports indicate, might hurt tobacco sales abroad. Shipping space could turn out to be a problem too. "With the Russians and Chinese moving so much grain from Canada and Australia," suggests an official, "any volume of ours moving above \$5.6 billion probably will have real trouble finding space in ship bottoms."

Furthermore, much of the coming export bulge probably will be temporary. "You just can't expect crop disasters every year," says a U.S. policymaker. Too, European

protectionism could fence out more American goods, as in the famous chicken war raging lately.

WIDE FLUCTUATIONS

U.S. farm exports often have fluctuated widely. From \$4.7 billion in the 1956-57 marketing year, the total fell to \$3.7 billion 2 years later. Sales built up again to a record of more than \$5.1 billion in the year ended in mid-1962, and then eased off to around that figure last marketing year.

For the current year, Agriculture Department specialists size up product-by-product increases this way:

Wheat exports, which totaled 639 million bushels valued at nearly \$1.2 billion in 1962-63, are expected to mount to a record of at least 740 million bushels valued at more than \$1.3 billion. As recently as Labor Day, the official forecast was only 675 million bushels. With this aid, the Nation's wheat surplus is expected to shrink to just below 1 billion bushels by mid-1964; that would be a cut of 200 million from the heap on hand on June 30 this year, and the sharpest decline in more than a decade.

Other glut-cutting seems less certain. But cotton shipments, which last marketing year slumped to around 3.5 million bales worth \$492 million, are expected to jump this year to around 5 million bales valued at more than \$700 million. Feed grain sales, which last marketing year reached a record 15.3 million tons worth \$737 million may amount to a new high of 17 million tons valued at nearly \$820 million. Exports of soybeans, plus oil crushed from soybeans and cottonseed for cooking and other uses, could climb from last year's \$778 million to as much as \$900 million.

Despite current clouds over tobacco, sales of U.S. leaf promise to show gains from the poor 1962-63 showing of 474 million pounds valued at \$378 million, down 7 percent from the previous marketing year. Shipments of rice, vegetables, and cattle for breeding may gain modestly.

While a slump in poultry still seems inescapable, some Agriculture Department specialists expect new markets, such as Japan, to help offset the loss caused by European tariff barriers. Shipments of broiler chickens and turkey meat, the major U.S. poultry products exported, slumped from January through July to less than half the 138 million pounds shipped a year earlier. But the gap has narrowed somewhat. The 10.2 million pounds recorded for July alone were more than half the 16.6 million of the like 1962 month.

To cash in on the generally brightening prospects, American salesmen are globetrotting as never before. No less than 62 U.S. food and agricultural firms, including Chicago's Quaker Oats Co., Armour & Co., and Libby, McNeill & Libby, have agreed to exhibit and sell their products at the largest international trade fair ever sponsored by the Agriculture Department. It is scheduled to open November 7 in Amsterdam and will last 18 days. "We're nearly sold out of exhibit space," says a Department official.

Already, emissaries of more than 40 American producer and trade groups, working with Federal officials in jointly financed market research and promotion projects, are crisscrossing 50 countries pushing U.S. farm products, notably wheat, soybeans, and poultry meat.

Permanent U.S. trade centers established by the Commerce and Agriculture Departments in London and Tokyo are serving as listening posts and information booths on farm marketing possibilities in Europe and Asia. At the Tokyo center, a score or more of U.S. poultry packers are wooing Japanese businessmen and consumers with exhibits and free samples in a show aimed at pro-

moting chicken and turkey eating in Nippon. A U.S. official hails the show as a "tremendous success," though the cash payoff remains to be seen.

Mr. McCARTHY. Mr. President, will the Senator from Florida yield 5 minutes to me?

Mr. HOLLAND. Mr. President, I yield 5 minutes to the distinguished Senator from Minnesota.

Mr. McCARTHY. Mr. President, the question of the disposition of the acres coming out of the soil bank is of particular interest to Minnesota. The cumulative participation as to the number of farms shows that in 1961 Minnesota was second only to Texas in the number of farms with conservation reserve acres, 19,991 Minnesota farms having contracts. The cumulative number of acres in conservation reserve at that time in Minnesota was 1,896,228—a number exceeded only by North Dakota and Texas. Contracts on some of these acres have expired, but Minnesota still had 1,538,000 acres in the conservation reserve program at the beginning of this year.

Nearly 24.3 million acres still remain in the soil bank, and about 7.4 acres are scheduled to be released this year. In 1964 another 3.3 million acres will come out.

Action will be necessary to keep these acres—or an equivalent number of acres—from being returned to cropland production. The question is, What is the best means by which to accomplish this?

The subcommittee on Agricultural Production, Marketing, and Stabilization of Prices of the Committee on Agriculture has held hearings on this problem, and has also held an executive session on it. The administration had proposed to change the program from cropland retirement to cropland diversion, but a number of questions have been raised which require additional time for consideration by the committee.

I am a member of the subcommittee and I wish to assure Senators who are supporting the pending amendment that I, too, am interested in getting action on a bill to meet this problem. But I do not believe we should take the unusual route of attaching to an appropriation bill an amendment which provides for an extension of this program.

Some of the land for which conservation reserve contracts will expire is already committed by the landholder to be returned to crop production next year. A mere extension will not keep this land out of crop production in 1964. Even if all the land were retained, we would still only be putting off the solution for another 2 years, at which time we would find over 10 million acres coming out of contract at one time.

The method proposed in the Mundt amendment would also be more expensive than some of the proposals now under study by the subcommittee. Consideration is being given to some form of limited land use for reserve acres. This would permit lower payments than at present. If acres taken from cropland use were diverted to pasture, wildlife, recreational use, woodlots, or other uses, the Secretary could reduce the cost per acre of the program.

In my judgment, one of the principal reasons for dealing with this problem in a separate measure is to try to meet the serious objection to the original soil bank measure—that is, as to the effect of this type of total withdrawal of farms on the rural community. If we can make some provision for keeping farms in operation—rather than have them totally withdrawn from production—we can strengthen the rural community, and certainly can strengthen the justification for this program.

Mr. President, I thank the Senator from Florida for yielding me this time.

Mr. MUNDT. Will the Senator from Minnesota yield, to permit me to propose a further unanimous consent agreement?

Mr. McCARTHY. I am glad to yield.

Mr. MUNDT. I heard the colloquy in which the Senator from Minnesota and the Senator from Florida said that when the unanimous-consent agreement was entered into last Thursday, certainly there was no intention on the part of any of us to have the Senate rule changed by means of the unanimous-consent agreement. I believe it was then the intention—certainly it was mine—to have the Senate proceed by a single vote to overrule the point of order, then suspend the rule, and then agree to the amendment.

But although that was the understanding, it is obvious that the language used in the order did not make that clear. I am sure the Senator from Minnesota believes that the unanimous-consent order will terminate all debate at the end of 3 hours; that then there will be the single vote; that it was never intended to deprive the Senator from Florida of the right to make his point of order; and that, until today, all of us anticipated that all that was included in the unanimous-consent agreement.

So, Mr. President, in order to bring this matter to what I believe will be an amicable conclusion—because in 25 years in Congress I have never resorted to sharp legislative practice; and I do not propose to do so today, simply because I temporarily have a weapon in my hand—I ask unanimous-consent agreement that the unanimous-consent agreement of last Thursday be modified so as to provide that by one two-thirds majority vote the Senate may suspend paragraph 4 of rule XVI, so that my amendment will then be in order, and may then agree to my amendment—all in a single vote—and thus be able to accomplish both objectives by a single vote, whenever the time under the agreement has expired.

Mr. HOLLAND. Mr. President, will the Senator from South Dakota yield?

Mr. MUNDT. I yield.

Mr. HOLLAND. The Senator assumes that I, in pursuance of my obligation, will make the point of order; and that then the Senator from South Dakota will make his motion that the Senate overrule the point of order, and agree to the amendment—all in one vote—which would require a two-thirds affirmative majority.

Mr. MUNDT. Yes. My amendment has already been submitted; so I assume

that the Senator from Florida will make the point of order that the amendment proposes the inclusion of legislation in an appropriation bill, and that then—by a single vote—the Senate will pass upon the amendment.

The PRESIDING OFFICER. The Chair is advised by the Parliamentarian that, under the existing agreement, a two-thirds affirmative vote by the Senate would both suspend paragraph 4 of rule XVI and agree to the amendment; in other words, both actions would be taken by means of the one vote.

Is there objection to the request of the Senator from South Dakota?

Mr. HOLLAND. Mr. President, I did not understand the Chair's ruling. I certainly intend to make the point of order. If the proposed modification of the unanimous-consent agreement would not permit the point of order to be made, I wish that fact to be ascertained at this time.

The PRESIDING OFFICER. The Chair understands that it is assumed under the modified agreement, that a point of order will be made, on the ground that the amendment of the Senator from South Dakota proposes the addition of legislation to an appropriation bill. Such an amendment cannot be offered until paragraph 4 of rule XVI is suspended; and a two-thirds majority is required in order to take such action.

Mr. MUNDT. Mr. President, in order to simplify our arriving at the objective which all of us have in mind, I include in my request a provision to the effect that it is agreed that the point of order which it was understood would be made by the Senator from Florida has now, in fact, been made.

The PRESIDING OFFICER. The Senator's request will be modified accordingly.

Is there objection to the modified request for unanimous consent to modify the existing unanimous-consent agreement? Without objection, it is so ordered.

Mr. HUMPHREY. Then, Mr. President, I understand that it is now understood that, by means of only one vote, the Senate will deal with the question of suspending the rule and also with the question of agreeing to the substance of the amendment of the Senator from South Dakota.

The PRESIDING OFFICER. That is correct.

Mr. HUMPHREY. And a two-thirds vote will be required, as I understand.

The PRESIDING OFFICER. That is correct.

Mr. HOLLAND. Furthermore, Mr. President, I believe it is now understood that the Senator from Florida, the chairman of the subcommittee handling the bill, has raised the point of order that the amendment of the Senator from South Dakota proposes the addition of legislation to an appropriation bill.

The PRESIDING OFFICER. Yes; that assumption is now understood.

Mr. HUMPHREY. And it is also understood that a two-thirds vote will be required in order to suspend the rule and also in order to agree to the sub-

stance of the amendment; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. HUMPHREY. I thank the Senator from South Dakota. He has been most considerate, and I wish the record to note that in our discussions he has been most cooperative. He could have insisted upon a technical interpretation of the unanimous-consent agreement; but, in the typical fashion of a gentleman and a honorable man, he did not do so. So I express to him my gratitude and my appreciation.

Mr. MUNDT. I appreciate the Senator's statement.

Mr. HOLLAND. Mr. President, will the Senator from Minnesota yield?

Mr. McCARTHY. I yield.

Mr. HOLLAND. Let me say to the Senator from South Dakota—although I know that he already knows this—that I never expect anything from him but the kind of magnanimous consideration he has accorded in this instance—which I recognize, and for which I express my gratitude.

Mr. MUNDT. Let me add that I have so much confidence in my amendment that I hope that in any event it will be agreed to by a unanimous vote.

Mr. HUMPHREY. Would the Senator be willing to accept a substitute for the amendment? [Laughter.]

Mr. President, will the Senator from South Dakota yield briefly to me?

Mr. MUNDT. I yield.

CONSERVATION AND LAND USE

Mr. HUMPHREY. Mr. President, I believe in programs that put farmland into conservation uses. Through the years I have firmly supported proposals that provided for cost-sharing conservation practices under the ACP program. I have supported the programs of the Soil Conservation Service. I proposed a conservation acreage reserve program that was designed to conserve our invaluable agricultural productivity, our natural resources, and at the same time, to protect and improve farm income. I voted for the Soil Bank Act of 1956, not because this was the best program possible, but because it was the best program available. My colleagues will recall that this act was passed only after the presidential veto of a farm bill that was designed to make positive improvements in farm prices and farm income—the soil bank program was only a minor part of that larger proposal and was passed as a separate act after the veto in the fervent hope that farmers would be provided some positive income improvement by Congress in that dark year of 1956.

That fervent hope was dissipated in the following years as crop production increased and surpluses piled high. The hope for improved net farm income was dashed as year after year, between 1956 and 1960, net farm income decreased annually around \$1 billion. Rural communities suffered as whole farms were placed in the reserve and the owners moved away. Widespread objections to the conservation reserve were voiced by farmers and businessmen. It was for these reasons that in 1960 the U.S. Sen-

ate voted to terminate the conservation reserve program.

Misunderstandings with regard to the conservation reserve program that confronts us center on the question: Is there good use for this land, or must it be kept idle? Some cattle producers believe their prices are threatened by use of the land in question for pasture. On the other hand, there are reports that additional pasturage would be in the public interest because beef production should be increased through the years to meet the needs of our growing population.

Because of these differing opinions the Congress this year has been unable to pass any legislation dealing with either a program of land use or an across-the-board extension of expiring conservation reserve contracts. This has led to a great deal of confusion among the farmers of my own State of Minnesota and throughout the Nation.

Mr. President, I am not going to take sides in this question. I am, however, introducing today what I consider to be a compromise—a bill which takes into consideration the arguments made by representatives of each side of the question. I do this in order to erase the confusion which presently exists among our farmers and I hope this legislation will get the bipartisan support it will need to be enacted.

Very simply, Mr. President, what my bill does is provide that those persons whose conservation reserve contracts expire this year and next can extend them until December 31, 1965, subject to the same rules and regulations under which the Soil Bank Act now operates.

My bill goes further, however. It adds that until December 31, 1965, the Secretary of Agriculture may enter into land-use agreements covering an acreage of land equal to the acreage on which conservation reserve contracts expire this year and next but which are not extended.

Mr. President, my bill contains features of both the Soil Bank Act and the land use provisions of the Food and Agriculture Act of 1962. I am hopeful it will receive early consideration. I cannot vote to suspend the rules and merely continue the old soil bank program. We need a better program—we need land use—not idle land. We need to conserve our soil—and put it to constructive use.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2193) to authorize extension of expiring conservation reserve contracts, and for other purposes, introduced by Mr. HUMPHREY, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

Mr. HOLLAND. Mr. President, I am prepared to yield back the remainder of the time under my control.

Mr. MUNDT. Mr. President, I am prepared to do likewise; and I now do so.

Mr. HOLLAND. So do I.

Mr. MUNDT. The yeas and nays have already been ordered.

Mr. HOLLAND. Mr. President, in order that there may be a short quorum

call prior to the vote, I now suggest the absence of a quorum.

The PRESIDING OFFICER. All remaining time on the amendment has now been yielded back.

The question is on agreeing to the amendment of the Senator from South Dakota. Under the unanimous-consent agreement, the yeas and nays have been ordered on this question.

The absence of a quorum has been suggested; and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HUMPHREY. Have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. HUMPHREY. A two-thirds vote is required for a suspension of the rule?

The PRESIDING OFFICER. The Senator is correct.

Mr. MUNDT. Mr. President, I do not believe that the assistant majority leader's question was complete. A two-thirds vote is required for a suspension of the rule and adoption of the amendment in a single vote.

The PRESIDING OFFICER. Under the agreement, a two-thirds vote will be required to suspend the rule and to adopt the amendment. That can all be accomplished in one vote.

The question is on agreeing to a suspension of the rule and agreeing to the amendment of the Senator from South Dakota. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN (when his name was called). On this vote I have a pair with the distinguished majority leader, the Senator from Montana [Mr. MANSFIELD]. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." Therefore, I withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from Nevada [Mr. BIBLE], the Senator from Illinois [Mr. DOUGLAS], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Montana [Mr. MANSFIELD], the Senator from Montana [Mr. METCALF], the Senator from Utah [Mr. MOSS], the Senator from Oregon [Mrs. NEUBERGER], the Senator from Rhode Island [Mr. PELL], and the Senator from Mississippi [Mr. STENNIS] are absent on official business.

I also announce that the Senator from California [Mr. ENGLE] is absent because of illness.

I further announce that, if present and voting, the Senator from Nevada [Mr. BIBLE], the Senator from Illinois [Mr. DOUGLAS], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Montana [Mr. METCALF], the Sen-

ator from Utah [Mr. Moss], the Senator from Oregon [Mrs. NEUBERGER], the Senator from Rhode Island [Mr. PELL], and the Senator from Mississippi [Mr. STENNIS], would each vote "nay."

Mr. DIRKSEN. I announce that the Senator from Colorado [Mr. ALLOTT], the Senator from Hawaii [Mr. FONG], and the Senator from Vermont [Mr. PROUTY] are absent on official business.

The Senator from Arizona [Mr. GOLDWATER], the Senator from Colorado [Mr. DOMINICK], the Senators from New York [Mr. JAVITS and Mr. KEATING], the Senator from California [Mr. KUCHEL], and the Senator from Wyoming [Mr. SIMPSON] are necessarily absent.

The Senator from Texas [Mr. TOWER] is absent because of death in his family.

If present and voting, the Senators from Colorado [Mr. ALLOTT and Mr. DOMINICK], the Senator from Hawaii [Mr. FONG], the Senator from Arizona [Mr. GOLDWATER], the Senators from New York [Mr. JAVITS and Mr. KEATING], the Senator from California [Mr. KUCHEL], the Senator from Vermont [Mr. PROUTY], and the Senator from Texas [Mr. TOWER] would each vote "yea."

The yeas and nays resulted—yeas 20, nays 59, as follows:

[No. 177 Leg.]

YEAS—20

Alken	Curtis	Morton
Beall	Hickenlooper	Mundt
Bennett	Hruska	Pearson
Boggs	Jordan, Idaho	Saltonstall
Carlson	Lausche	Scott
Cooper	Mecham	Young, N. Dak.
Cotton	Miller	

NAYS—59

Anderson	Hartke	Muskie
Bartlett	Hayden	Nelson
Bayh	Hill	Pastore
Brewster	Holland	Proxmire
Burdick	Humphrey	Randolph
Byrd, Va.	Inouye	Ribicoff
Byrd, W. Va.	Jackson	Robertson
Cannon	Jordan, N.C.	Russell
Case	Kennedy	Smathers
Church	Long, Mo.	Smith
Clark	Long, La.	Sparkman
Dodd	Magnuson	Symington
Eastland	McCarthy	Talmadge
Edmondson	McClellan	Thurmond
Ellender	McGee	Walters
Ervin	McGovern	Williams, N.J.
Fulbright	McIntyre	Williams, Del.
Gore	McNamara	Yarborough
Gruening	Monroney	Young, Ohio
Hart	Morse	

NOT VOTING—21

Allott	Goldwater	Moss
Bible	Javits	Neuberger
Dirksen	Johnston	Pell
Dominick	Keating	Prouty
Douglas	Kuchel	Simpson
Engle	Mansfield	Stennis
Fong	Metcalf	Tower

The PRESIDING OFFICER. Two-thirds of the Senators present and voting not having voted in the affirmative, the rule is not suspended, and the amendment is not agreed to.

The PRESIDING OFFICER. Under the unanimous-consent agreement the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 6754) was read the third time.

Mr. HOLLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HOLLAND. As I understand the unanimous-consent agreement, the vote on passage of the bill will occur at this time.

The PRESIDING OFFICER. There is 30 minutes of debate on the question of passage of the bill.

Mr. HOLLAND. Mr. President, I ask for the yeas and nays on the question of passage of the bill.

The yeas and nays were ordered.

Mr. DIRKSEN. Mr. President, I yield such time as he may desire to the distinguished Senator from Nebraska [Mr. HRUSKA].

Mr. HRUSKA. Mr. President, the bill now before the Senate making appropriations for the Department of Agriculture contains a feature which could well mark the turning point in our efforts to find a solution to the difficulties we have come to lump together under the label of "the farm problem."

I refer to an item of \$35 million earmarked for strengthened research on utilization of agricultural commodities. The Senator from South Dakota [Mr. MUNDT] whose leadership is responsible for the addition of these funds in the Senate bill, has already told us of the serious imbalance between our research to improve crop production and our efforts to find new uses for the things we grow. The funds being made available in this bill will insure that we are devoting at least as many of our resources to utilization research as we are to production research.

All of American agriculture owes a debt to the Senator from South Dakota [Mr. MUNDT], the Senator from Georgia [Mr. RUSSELL], and the Senator from North Dakota [Mr. YOUNG] for their work in developing this program, which is in response to the Senate's recognition of the need for action when, last October, it approved Senate Resolution 415, calling upon the Secretary of Agriculture to submit a program for effective strengthening of utilization research.

At the same time, Mr. President, recognition is due the unflagging efforts of my colleague from Nebraska [Mr. CURTIS], who earlier this year introduced a bill—S. 1156—to carry out the recommendations of the Commission on Increased Industrial Use of Agricultural Products, headed by Mr. J. Leroy Welsh of Omaha. For many years, from the time he served in the House, my colleague [Mr. CURTIS] has been in the forefront of those urging a stepped-up program of scientific inquiry into new and improved uses for our farm products.

His bill would implement the excellent report of the Welsh Commission which, at President Eisenhower's direction, outlined 106 broad fields of research and development, including hundreds of product uses, that seem to promise fruitful results.

Particular emphasis was given in the Commission's findings to the use of grain alcohol as a gasoline blend. The chemical feasibility of such use is well established. What is required now is an energetic effort to increase the economic feasibility.

There are literally hundreds of other projects which may be pursued with good promise of a quick and profitable return. The program submitted to our committee by the Agricultural Research Service calls for initiating and expanding studies on nearly 200 different projects. Special emphasis would be placed on two highly promising areas—cereal and forage crops, and poultry, dairy and animal products. Substantial increases would be allotted to work on cotton and wool, oilseeds, fruits and vegetables, and new and special crops.

Mr. President, this Government now spends on the order of \$15 billion a year in research and development. There is good reason to question whether it is spent wisely. We have heard sharp and angry criticism of some projects which appear to have little practical value and we know that crash programs, such as those in our space effort, are, in and of themselves, wasteful and extravagant.

The \$35 million proposal in the bill now before us is anything but a crash program. It provides for a steady, healthy growth of the Federal scientific effort to a size and strength commensurate with the Nation's need.

When the President's scientific adviser, Dr. Jerome Weisner, was before our Independent Offices Appropriations Subcommittee, he conceded that Congress now appropriates billions for research largely on faith, with no real assurance of what the Nation will get for its money.

The opposite is true of the program we are discussing today. Utilization research has a solid record of returning \$25 for every dollar spent.

For many years, Mr. President, the American farmer has been caught in a vicious cost-price squeeze. While the price he receives for the things he produces by his own labor and investment has gone down, the price he must pay for the things he needs has risen steadily.

By finding new markets, through new uses for agricultural products, we can restore the health of our farm economy. This is of prime importance to States like my own where agriculture is the basic industry.

As new uses and new processes are developed, we can expect that processing and manufacturing plants will be established in the areas where the products are grown, thus contributing to a balanced and efficient economic situation.

Mr. President, the big clock down at the Census Bureau last Friday ticked off its estimate of America's population at 190 million. In about 3 years, the figure will reach 200 million. We are confident of our ability to produce food and clothing for that many people, but the question may well be asked whether our usual sources will be adequate to meet the demands for the things we otherwise consume.

Take paper, for instance. No one who lives in this town needs to be reminded of America's voracious appetite for paper. We use fantastic amounts of films, fibers, plastics and coatings.

The ARS proposes to launch a major research effort concerning the use of

starch, which makes up 70 percent of cereal grains, for these products.

So-called cereal pulp products, consisting mainly of chemically-converted wheat flour or cereal starches produced by inexpensive processes will yield papers of higher tensile strength than all-wood pulp papers. If initial findings are borne out in larger scale tests, this development has an excellent potential for improving a variety of paper products—newsprint, coating adhesives, coarse paper, and building and insulating boards—and would require the use of 100 to 180 million bushels of grain.

There are other exciting prospects in new uses of cereals.

Entirely new organic materials can be created through fermentation of grain and can be used in a wide variety of processes.

Winter wheats can be treated to make them more acceptable in foreign markets, thus teaming research with another important factor in reducing our surpluses, world trade.

We have only begun to explore the by-products of wheat milling which can be upgraded into concentrates that are rich in vitamins, antibiotics, hormones, and other growth-promoting substances.

The program outlined by the Agricultural Research Service represents a careful screening of projects in a planning document which the Service keeps current at all times. It is a listing of projects which show promise but for which funds have so far been unavailable. Given the Senate's direction to propose a program at the level of \$35 million, the scientists and technicians have combed the planning list for the most promising and worthwhile—and realistic—activities.

The Agricultural Research Service, under the capable direction of Dr. Byron Shaw and his able assistants, has given us a clear blueprint for an expanded and strengthened utilization research program. They are prepared to carry it out. I am hopeful that in the conference with the House, the Senate managers will persuade their colleagues from the other side of the Capitol of the importance of this program.

MARKET NEWS SERVICE

Mr. President, very late in the Appropriations Committee's markup of this bill, the matter of the Federal-State market news leased wire system came up. As the distinguished chairman of the subcommittee has explained, no hearings were held on this subject, so a subcommittee was appointed to meet with the Secretary of Agriculture and, if appropriate, bring the matter to the floor of the Senate for discussion.

In his remarks on last Wednesday—page 17081 of the CONGRESSIONAL RECORD—the Senator from Florida [Mr. HOLLAND] explained that:

After conferring with the Secretary of Agriculture, the subcommittee felt that his explanation of what was expected to be done in that field is reasonable.

Mr. President, since I was not a member of that subcommittee, I would be most interested to learn what the subcommittee found reasonable about the Secretary's assertion that his Depart-

ment will be the sole judge in those cases where it is decided to cancel the contracts of subscribers to this service.

In his letter to the chairman [Mr. HOLLAND], the Secretary says in one place.

No system of censorship or management of the press is involved in any manner.

Three paragraphs later, he makes the assertion that his Department reserves the right to cancel the service "in its entirety and in the sole judgment of USDA if, for some unforeseen reason, it should turn out to be detrimental to the best interests of agricultural producers as a whole."

The point, Mr. President, is this: the information supplied by this market news service is public property, bought and paid for by the taxpayers of the United States. It belongs to each of them and to all of them.

To have the Secretary claim the right to decide who gets it and for how long and under what circumstances is preposterous.

The information available over this service is no different from information contained in a printed leaflet, such as the Department's famous pamphlet on infant care. Does the Secretary claim that he has the right to decide who shall receive those pamphlets and what use shall be made of them?

There are serious questions concerning this market news service, Mr. President. Does it mean that each department will soon have its own teletype news service, and then, in the name of economy, they will all be combined into one central service?

The Soviets have a system like that. It is called Tass.

But whether such a Government news service is in the offing or not, it is clear that we must not leave to an official of the Government the authority to decide, willy nilly, whether subscriber A should have the service and subscriber B should not.

Suppose in exercising its "sole judgment" the Department of Agriculture decides it does not like the editorial policy of one of its newspaper subscribers. Is that a basis for cancellation?

It is my hope that the Agriculture Committees of both Houses, as well as those committees concerned with true freedom of information, will turn their attention to this potentially dangerous attempt by the Secretary to set himself up as a censor of publicly owned news.

Mr. President, America's free press has been viewing Mr. Freeman's scheme with a very jaundiced eye. An example appeared in the September 27 issue of the Lincoln Journal. I ask unanimous consent to have printed at this point in the RECORD the editorial entitled, "Freeman's News Service."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FREEMAN'S NEWS SERVICE

The U.S. press and public expect a free flow of information from their Federal Government. But Secretary Orville Freeman, in the Department of Agriculture, appears to be a little too generous with news from his bailiwick.

He has told the press, in effect, "You won't even have to bother coming around any more, boys. We'll just gather up all our news and put it out for you." Freeman even proposes setting up an agricultural news service to get this information to the press media, as the Associated Press and United Press International do.

It's not surprising that much of the press has replied, "Thanks a lot, Orville, but no thanks."

Not that they're a bunch of ingrates. But the idea raises a host of questions—professional, political, and practical.

Foremost among them might be: How would the Department of Agriculture have "covered" the story of Billie Sol Estes, or the disappearance of several million tons of Government-owned grain? Would it have reported them at all? How would the Department have presented the news on the recent wheat referendum which it plugged so actively?

The present method, in which privately owned and competing news services and news media seek and distribute the news, might not be perfect. But it beats the daylights out of Secretary Freeman's proposal.

For whenever the independent press is not allowed to gather and disseminate news, including news about Government, this Nation will be in a real bad way.

Mr. DIRKSEN. Mr. President, unless there are further demands for time, I am prepared to yield back the remaining time on this side on the bill.

The PRESIDING OFFICER. Under the agreement each side has 15 minutes. The Senator from Illinois is prepared to yield back his remaining time.

Mr. HOLLAND. Mr. President, I am glad to yield back my time.

Mr. DIRKSEN. Mr. President, I yield back my remaining time.

The PRESIDING OFFICER. All time has been yielded back.

The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Nevada [Mr. BIBLE], the Senator from Illinois [Mr. DOUGLAS], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Montana [Mr. MANSFIELD], the Senator from Montana [Mr. METCALF], the Senator from Utah [Mr. MOSS], the Senator from Oregon [Mrs. NEUBERGER], the Senator from Rhode Island [Mr. PELL], and the Senator from Mississippi [Mr. STENNIS] are absent on official business.

I also announce that the Senator from California [Mr. ENGLE] is absent because of illness.

I further announce that, if present and voting, the Senator from Nevada [Mr. BIBLE], the Senator from Illinois [Mr. DOUGLAS], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Montana [Mr. MANSFIELD], the Senator from Montana [Mr. METCALF], the Senator from Utah [Mr. MOSS], the Senator from Oregon [Mrs. NEUBERGER], the Senator from Rhode Island [Mr. PELL], and the Senator from Mississippi [Mr. STENNIS] would each vote "yea."

Mr. DIRKSEN. I announce that the Senator from Colorado [Mr. ALLOTT], the Senator from Hawaii [Mr. FONG], and the Senator from Vermont [Mr. PROUTY] are absent on official business.

The Senator from Arizona [Mr. GOLDWATER], the Senator from Colorado [Mr. DOMINICK], the Senators from New York [Mr. JAVITS and Mr. KEATING], the Senator from California [Mr. KUCHEL], and the Senator from Wyoming [Mr. SIMPSON] are necessarily absent.

The Senator from Texas [Mr. TOWER] is absent because of death in his family.

The Senator from Kentucky [Mr. COOPER] is temporarily absent to attend a funeral.

If present and voting, the Senators from Colorado [Mr. ALLOTT and Mr. DOMINICK], the Senator from Kentucky [Mr. COOPER], the Senator from Arizona [Mr. GOLDWATER], the Senators from New York [Mr. JAVITS and Mr. KEATING], the Senator from California [Mr. KUCHEL], and the Senator from Vermont [Mr. PROUTY] would each vote "yea."

On this vote, the Senator from Hawaii [Mr. FONG] is paired with the Senator from Texas [Mr. TOWER]. If present and voting, the Senator from Hawaii would vote "yea," and the Senator from Texas would vote "nay."

The result was announced—yeas 74, nays 5, as follows:

[No. 178 Leg.]

YEAS—74

Alken	Gruening	Monroney
Anderson	Hart	Morse
Bartlett	Hartke	Morton
Bayh	Hayden	Mundt
Beall	Hickenlooper	Muskie
Bennett	Hill	Nelson
Boggs	Holland	Pastore
Burdick	Hruska	Pearson
Byrd, Va.	Humphrey	Proxmire
Byrd, W. Va.	Inouye	Randolph
Cannon	Jackson	Robertson
Carlson	Jordan, N.C.	Russell
Case	Jordan, Idaho	Saltonstall
Church	Kennedy	Scott
Clark	Long, Mo.	Smathers
Cotton	Long, La.	Smith
Curtis	Magnuson	Sparkman
Dirksen	McCarthy	Symington
Dodd	McClellan	Talmadge
Eastland	McGee	Walters
Edmondson	McGovern	Williams, N.J.
Ellender	McIntyre	Yarborough
Ervin	McNamara	Young, N. Dak.
Fulbright	Mechem	Young, Ohio
Gore	Miller	

NAYS—5

Brewster	Ribicoff	Williams, Del.
Lausche	Thurmond	

NOT VOTING—21

Allott	Goldwater	Moss
Bible	Javits	Neuberger
Cooper	Johnston	Pell
Dominick	Keating	Prouty
Douglas	Kuchel	Simpson
Engle	Mansfield	Stennis
Fong	Metcalf	Tower

So the bill (H.R. 6754) was passed.

Mr. HOLLAND. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HOLLAND. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives thereon; and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. HOLLAND, Mr. RUSSELL, Mr. ELLENDER, Mr. YOUNG of North Dakota, and Mr. MUNDT conferees on the part of the Senate.

Mr. HUMPHREY. Mr. President, first, I wish to express the thanks of the leadership to the Senator from Florida [Mr. HOLLAND] for his diligence and patience in handling this very important appropriation bill. The Senator from Florida made considerable personal sacrifice to accommodate other Senators, and I want him to know that his consideration is appreciated. I also wish to thank the Senator for the meticulous manner in which he explained all the features of this bill, so that the RECORD might be substantially clear as to what was done in connection with this rather substantial appropriation.

Mr. HOLLAND. Mr. President, I appreciate the generous statement of the acting majority leader.

ALIBATES QUARRIES OF ANCIENT MAN IN THE TEXAS PANHANDLE SHOULD BE A NATIONAL MONUMENT

Mr. YARBOROUGH. Mr. President, more and more citizens of the Southwest are becoming aware of and joining in support for the efforts to assure preservation of the famous Alibates flint quarries near Amarillo, Tex. These quarries, proposed for designation as a national monument by a bill which I have introduced, S. 1348, have been used as a source of flint for projectile points during 12,000 years of American history and prehistory.

The importance of preserving this site is well described in a recent, concise, and informative article published by the Amarillo Sunday News-Globe and written by Jim Clark.

I ask unanimous consent that this article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Amarillo (Tex.) Sunday News Globe, Sept. 8, 1963]

FLINT QUARRY OLDEST MINE

(By Jim Clark)

If not preserved as a national monument, a mining and trading business operated by prehistoric man near here 12,000 years ago may be lost to vandals and souvenir hunters.

The business—in continuous operation for 11,300 years—is the Alibates flint quarries, on the Canadian River 35 miles north of Amarillo.

Earliest inhabitants of the North American Continent walked hundreds of miles to collect flint from the quarries. It provided weapons for hunting woollyhaired, long-tusked mammoths which thundered over this region 10,000 years before the birth of Christ.

Location of the quarries and nearby Indian pueblo ruins is one of the State's best-kept secrets. But opening of the 25,000-acre Lake Meredith in 1965 will make them available to the public either by automobile or boat.

The quarries and ruins are in the heart of a scenic recreation area to be acquired by the lake developer. Canadian River Municipal Water Authority, CRMWA has agreed to dedicate required acreage as a national monument of a well-backed proposal gets necessary Department of Interior and legislative approval.

National monument status for the site

would make this area's oldest economic resource the newest—through tour revenues—and provide one of the finest educational exhibits in the Nation, promoters say.

Telltale signs of ancient civilizations are hundreds of grass-covered quarry excavations. Artifacts still crop up among the flint chips and cores surrounding each pit.

The pueblo ruins, a quarter-mile away, are the tattletale of a people who tilled the soil and built flourishing villages 600 years before white man laid claim on the country.

Archeological evidence indicates flint from the quarries—valued because of its brilliant coloring and quality—was a sought-after trade item among prehistoric man.

Tools made from Alibates flint 12,000 years ago have been uncovered in archeological diggings as far away as Montana.

The flint—a stratum spread over a mile-long zone and lying between areas of agatized dolomite—occurs in reds, blues, whites, purples, yellows, tans, grays, and blacks. Much of it is banded, striped, spotted, streaked or dotted.

Man first found the quarries 6,000 years before the wheel was invented or the first writing appeared, 500 years before the ice age peaked and 7,100 years before the great pyramids of Giza were built in Egypt.

"I am sure that Alibates flint was used frequently for such point types as Folsom, Plainview, Scotts Bluff and Eden * * * for at least some 12,000 years up to the time of pottery cultures in Texas and New Mexico," Dr. Alex D. Krieger, University of Washington archeologist, has written.

The Alibates quarries were "certainly the most important ones," Dr. Robert E. Bell, University of Oklahoma archeologist, has observed. "They appear to be the most extensive and to have been used over the longest period of time."

Dr. Waldo R. Wedel, Smithsonian Institution curator, referred to the "famous" Alibates quarries in his book, "Prehistoric Man on the Great Plains."

After the time of the mammoth hunters, flint from the Alibates quarries was used by ice age man for stalking giant bison, camel, sloth and tapir, once plentiful over much of the Southwest.

The people who followed prehistoric man to the quarries established a complex economy based upon corn, agriculture, hunting and trading of Alibates flint.

A 66-room pueblo ruin in the quarry area, excavated by a Works Progress Administration crew in the 1930's, produced 16,000 identifiable artifacts—11,000 of them not native to this region.

The artifacts, representing a culture from 900 to 1300 A.D., are in the Panhandle-Plains Historical Museum at West Texas State University, Canyon.

Unexplored limestone slab pueblos may represent an older or more recent culture than those excavated by WPA workers and area archeologists. A 100-room pueblo ruin in the area can be excavated and restored.

The excavated pueblos contain vast quantities of flint shaved from larger pieces carried from the quarries for working.

At the quarries and pueblo ruins the archeologist today finds weapons and household tools, along with pottery shards, stone implements, and remains of materials imported to this region.

Prehistoric man used flint blanks (ready to work pieces) as a medium of trade, archeologists verify.

The importance of Alibates flint to prehistoric man and its use as both a utilitarian and trade item was emphasized by Dr. Kirk Bryan in a paper published by Harvard University.

"The Sources of Tools and, at the Same Time, the Factories of Prehistoric American Man" was the title of Bryan's paper, published by the Peabody Museum of American Archeology and Ethnology.

Tools and weapons made from the easily identifiable Alibates flint have been found in Clovis and Folsom civilization finds in Texas, New Mexico, Oklahoma, Colorado, Wyoming, South Dakota, and Montana.

From 900 to 1300 A.D., pueblo dwellers used the valuable flint to trade for red pipestone from Minnesota, shells from the Gulf of Mexico and the Pacific Ocean, obsidian, turquoise, and painted pottery from New Mexico, painted pottery from Arizona, and obsidian from the Yellowstone area of Wyoming. Artifacts made from these trade items were found during excavation of the pueblo complexes.

"It is apparent that prehistoric man made special journeys to the quarries just to obtain his flint," Dr. James J. Hester said when confirming "extensive use of Alibates flint in the 12,000-year-old Clovis culture mammoth kill site" near Portales, N. Mex. Hester is curator of the Museum of New Mexico.

Reports in scientific journals point to the cultural, economic, geological, and historical significance of the quarries and pueblos.

Edward B. Jelks, executive director of the Texas archeological salvage projects, University of Texas, conceives for the proposed national monument an in-place exhibit "to portray in dramatic fashion the aboriginal quarrying methods, stone chipping techniques, and trading activities."

To Floyd V. Studer, an Amarillo man well known in the field of archeology, preservation of the "source of the finest material available to prehistoric man in North America would provide the finest and only in-place educational exhibit of its kind in the Nation."

"Alibates flint was to prehistoric man what the finest steel is to man today," says Studer, who has worked the quarries and pueblo ruins since 1907.

Fauna and flora of the region in an in-place exhibit at the quarry and pueblo sites would be "a wonderful way to tell young people about those who lived before them," thinks Henry Hertner.

Hertner, an Amarillo businessman, is promoting national monument status through his work with the Potter and Texas State Historical Survey Committees and the Panhandle Geological Society. The project also is supported by several other individuals, governmental authorities, and organizations.

First substantiated proof that the quarries were worked 12,000 years ago came in 1925, when archeologists in New Mexico uncovered an Alibates flint point in the vertebra of a now extinct giant bison killed by Folsom man.

Seven years later, archeologists carried use of Alibates flint back even farther, through discovery of the Clovis culture in a cave deposit in southeastern New Mexico. Clovis man lived between 12,000 and 15,000 years ago.

"It would be a tragedy if this landmark in the history of man on this continent should not be preserved for the study and enjoyment of future generations," Texas Senator RALPH YARBOROUGH said in introducing his bill to preserve the quarries as a national monument. The bill is now in committee. YARBOROUGH's sentiment was expressed long ago by a former Under Secretary of the Department of the Interior.

"This spot is worthy of being made a national monument," M. L. Wilson wrote after visiting the quarries and ruins in 1939.

JEWISH WAR VETERANS SUPPORT COLD WAR GI BILL, BY RESOLUTION OF THEIR NATIONAL CONVENTION

Mr. YARBOROUGH. Mr. President, the Jewish War Veterans of the United States of America, with a national membership of approximately 100,000; held

their annual national convention in this city on August 4 through 11. I am proud to announce that the Jewish War Veterans National Convention adopted a resolution in support of the extension of educational benefits to the veterans of the cold war.

This resolution recognizes that the failure to provide educational benefits to those men and women who entered service after January 31, 1955, discriminates between veterans, with that discrimination based solely on the date of entry into the Armed Forces and not because of different duty requirements, and that this failure and discrimination violates the principle of aiding those whose civilian lives have been interrupted by service based on the compulsory draft.

Mr. President, this resolution is another indication of the widespread and growing support which is rallying behind the passage of the cold war GI bill. I urge the consideration and passage by the Senate of S. 5, the cold war GI bill. I urge all Americans with a sense of justice to join in its support.

I ask unanimous consent that the resolution adopted by the Jewish War Veterans of the United States of America at their annual convention be printed at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

EXTEND EDUCATION BENEFITS DURING PERIOD OF SELECTIVE SERVICE ACT

Whereas the 82d Congress passed the Veterans Readjustment Assistance Act of 1952, Public Law 550, which among other benefits, provided that persons serving in the Armed Forces of the United States were eligible for the educational benefits theretofore provided under the GI bill; and

Whereas the President of the United States, by proclamation did terminate the benefits of the aforesaid Public Law 550, said termination date being January 31, 1955, and thereby the educational benefits to the men of our Armed Forces have been terminated; and

Whereas the Jewish War Veterans of the United States of America believe that the educational benefits provisions of Public Law 550 were of value to this country; and

Whereas failure to provide educational benefits to those who entered service after January 31, 1955 (1) discriminates amongst servicemen based strictly on the date of entry into service and not different duty requirements; and (2) abandons concept of providing an opportunity for higher education and for training which has been allowed since the GI bill on the premise of assistance to those whose lives were interrupted by service based on draft: Now, therefore, be it

Resolved, That the Jewish War Veterans of the United States of America in 68th annual national convention assembled in Washington, D.C., August 4-11, 1963, favors the extension of the educational benefits of the Veterans Readjustment Assistance Act of 1952, Public Law 550, during the period of time that selective service is effective, and that the eligibility to these benefits be made retroactive so as to cover those members of the armed services whose service was started or terminated subsequent to January 31, 1955.

COMMUNITY MENTAL HEALTH ACT—RESOLUTION

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in

the RECORD a resolution adopted by the New York City Community Mental Health Board, relating to the Community Mental Health Act.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION ON COMMUNITY MENTAL HEALTH ACT

Unanimously adopted September 24, 1963, by the New York City Community Mental Health Board.

Whereas the State of New York was the first in the Nation to enact legislation enabling State and local governments to share in the support of local mental health facilities by the passage of the Community Mental Health Services Act in 1954; and

Whereas the State of New York continues to be first among the States in the total and per capita expenditures for community mental health; and

Whereas the city of New York by its own willingness to appropriate funds for mental health services is, in large measure, responsible for this position of State leadership in community mental health; and

Whereas the President of the United States, on February 5, 1963, sent a special message to the Congress relative to mental illness and mental retardation, recommending Federal support of construction and initial staffing costs of comprehensive community mental health centers; and

Whereas Federal appropriations for the initial staffing costs of comprehensive community mental health centers are of equal importance to construction grants, if the State of New York and the city of New York are to successfully establish comprehensive community mental health centers: Now, therefore, be it

Resolved, That the New York City Community Mental Health Board respectfully petitions the Governor of the State of New York to exercise his influence upon and give leadership to the Members of the U.S. Congress including the Senators and Representatives from the State of New York to support all provisions now included in the bill known as S. 1576, which provisions are importantly related to construction and staffing of comprehensive community mental health centers, especially supporting those provisions making available Federal funds for staffing of such community mental health centers during the period of transition from Federal to State and local sponsorship.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the following bill and joint resolution, in which it requested the concurrence of the Senate:

H.R. 8363. An act to amend the Internal Revenue Code of 1954 to reduce individual and corporate income taxes, to make certain structural changes with respect to the income tax, and for other purposes; and

H.J. Res. 724. Joint resolution to provide additional housing for the elderly.

HOUSE BILL AND JOINT RESOLUTION REFERRED

The following bill and joint resolution were each read twice by their titles and referred, as indicated:

H.R. 8363. An act to amend the Internal Revenue Code of 1954 to reduce individual and corporate income taxes, to make certain structural changes with respect to the in-

88TH CONGRESS
1ST SESSION

H. R. 6754

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 30, 1963

Ordered to be printed with the amendments of the Senate numbered

AN ACT

Making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the Depart-
5 ment of Agriculture and related agencies for the fiscal
6 year ending June 30, 1964; namely:

DEPARTMENT OF AGRICULTURE

TITLE I—GENERAL ACTIVITIES

AGRICULTURAL RESEARCH SERVICE

SALARIES AND EXPENSES

For expenses necessary to perform agricultural research relating to production, utilization, (1)marketing, nutrition and consumer use, to control and eradicate pests and plant and animal diseases, and to perform related inspection, quarantine and regulatory work, and meat inspection: *Provided*, That appropriations hereunder shall be available for field employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$75,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a) : *Provided further*, That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed two for replacement only: *Provided further*, That appropriations hereunder shall be available pursuant to title 5, United States Code, section 565a, for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of constructing any one building (except headhouses connecting greenhouses) shall not exceed \$20,000, except for (2)~~five~~ two buildings to be constructed or improved at a cost not to exceed (3)\$40,000

1 \$50,000 each, and the cost of altering any one building dur-
 2 ing the fiscal year shall not exceed \$7,500 or 7.5 per centum
 3 of the cost of the building, whichever is greater: *Provided*
 4 *further*, That the limitations on alterations contained in this
 5 Act shall not apply to a total of \$100,000 for facilities at
 6 Beltsville, Maryland:

7 Research: For research and demonstrations on the pro-
 8 duction and utilization of agricultural products; ~~(4)agricul-~~
 9 ~~tural marketing and distribution, not otherwise provided for,~~
 10 ~~including related cost and efficiency evaluations; home eco-~~
 11 ~~nomics or nutrition and consumer use of agricultural and~~
 12 ~~associated products; and related research and services; and~~
 13 ~~for acquisition of land by donation, exchange, or purchase~~
 14 ~~at a nominal cost not to exceed \$100, (5)\$94,045,000 \$91,-~~
 15 ~~811,700(6); plus \$400,000, to remain available until ex-~~
 16 ~~pende, for construction, alteration, and equipping of facili-~~
 17 ~~ties; in all \$94,445,000(7):~~ *Provided, That, in addition, not*
 18 *more than \$5,000,000 may be transferred from the Com-*
 19 *modity Credit Corporation to this appropriation, in accord-*
 20 *ance with the Act of June 29, 1948 (15 U.S.C. 714b), for*
 21 *cost of production and other research designed to decrease the*
 22 *present or future investment of the Commodity Credit Cor-*
 23 *poration in agricultural commodities, such research to be*
 24 *conducted through contracts and grants as authorized by the*
 25 *Act of August 14, 1946, as amended: Provided, That, in ad-*

1 dition, not to exceed \$35,000,000 may be transferred from the
2 Commodity Credit Corporation to this appropriation, in ac-
3 cordance with the Act of June 29, 1948 (15 U.S.C. 714b),
4 for utilization research and development, cost of production re-
5 search, and other related research designed to reduce surplus
6 commodities held or to be held by the Commodity Credit Cor-
7 poration, and such amounts as are required for the construc-
8 tion, alteration, and equipping of research facilities for utiliza-
9 tion research and development shall remain available until ex-
10 pended: *Provided further*, That hereafter the Administrator
11 of the Agricultural Research Service may enter into agree-
12 ments with and receive funds from any State, other political
13 subdivision, organization, or individual for the purpose of
14 conducting cooperative research projects with such coopera-
15 tors: *Provided further*, That the limitations contained herein
16 shall not apply to replacement of buildings needed to carry
17 out the Act of April 24, 1948 (21 U.S.C. 113 (a)) : *Pro-*
18 *vided further*, That the Secretary of Agriculture is authorized
19 to acquire approximately two-tenths of an acre of land at
20 Pasadena, California;

21 Plant and animal disease and pest control: For opera-
22 tions and measures, not otherwise provided for, to control
23 and eradicate pests and plant and animal diseases and for
24 carrying out assigned inspection, quarantine, and regulatory
25 activities, as authorized by law, including expenses pursuant

1 to the Act of February 28, 1947, as amended (21 U.S.C.
2 114b-c, (8)\$~~59,505,000~~ \$67,071,500, of which \$1,500,000
3 shall be apportioned for use pursuant to section 3679 of the
4 Revised Statutes, as amended, for the control of outbreaks of
5 insects and plant diseases to the extent necessary to meet
6 emergency conditions: *Provided*, That no funds shall be used
7 to formulate or administer a brucellosis eradication program
8 for the current fiscal year that does not require minimum
9 matching by any State of at least 40 per centum(9): *Pro-*
10 *vided further, That no funds shall be available for carrying*
11 *out the screwworm eradication program that does not require*
12 *minimum matching by State or local sources of at least 50*
13 *per centum of the expenses of production, irradiation, and*
14 *release of the screwworm flies: Provided further, That, in*
15 *addition, in emergencies which threaten the livestock*
16 *or poultry industries of the country, the Secretary may*
17 *transfer from other appropriations or funds available to*
18 *the agencies or corporations of the Department such sums*
19 *as he may deem necessary, to be available only in such emer-*
20 *gencies for the arrest and eradication of foot-and-mouth*
21 *disease, rinderpest, contagious pleuropneumonia, or other*
22 *contagious or infectious diseases of animals, or European*
23 *fowl pest and similar diseases in poultry, and for expenses in*
24 *accordance with the Act of February 28, 1947, as amended,*
25 *and any unexpended balances of funds transferred under*

1 this head in the next preceding fiscal year shall be merged
2 with such transferred amounts;

3 Meat inspection: For carrying out the provisions of laws
4 relating to Federal inspection of meat, and meat-food prod-
5 ucts, and the applicable provisions of the laws relating to
6 process or renovated butter, (10)\$27,638,000 \$28,126,250.

7 Special fund: To provide for additional labor to be
8 employed under contracts and cooperative agreements to
9 strengthen the work at research installations in the field, not
10 more than \$1,000,000 of the amount appropriated under this
11 head for the previous fiscal year may be used by the Admin-
12 istrator of the Agricultural Research Service in departmental
13 research programs in the current fiscal year, the amount so
14 used to be transferred to and merged with the appropriation
15 otherwise available under "Salaries and expenses, Research".

16 (11) SALARIES AND EXPENSES (SPECIAL FOREIGN
17 CURRENCY PROGRAM)

18 For purchase of foreign currencies which accrue under
19 title I of the Agricultural Trade Development and Assistance
20 Act of 1954, as amended (7 U.S.C. 1704), for market
21 development research authorized by section 104(a) and for
22 agricultural and forestry research and other functions related
23 thereto authorized by section 104(k) of the Agricultural
24 Trade Development and Assistance Act of 1954, as amended
25 (7 U.S.C. 1704(a)(k)), to remain available until ex-

1 *pended, \$2,500,000: Provided, That this appropriation shall*
 2 *be available, in addition to other appropriations for these pur-*
 3 *poses, for the purchase of the foregoing currencies: Provided*
 4 *further, That funds appropriated herein shall be used to*
 5 *purchase such foreign currencies as the Department deter-*
 6 *mines are needed and can be used most effectively to carry*
 7 *out the purposes of this paragraph, and such foreign cur-*
 8 *rencies shall, pursuant to the provisions of section 104(a),*
 9 *be set aside for sale to the Department before foreign cur-*
 10 *rencies which accrue under said title I are made available*
 11 *for other United States uses: Provided further, That not to*
 12 *exceed \$25,000 of this appropriation shall be available for*
 13 *purchase of foreign currencies for expenses of employment*
 14 *pursuant to the second sentence of section 706(a) of the*
 15 *Organic Act of 1944 (5 U.S.C. 574), as amended by sec-*
 16 *tion 15 of the Act of August 2, 1946 (5 U.S.C. 55a).*

17 COOPERATIVE STATE EXPERIMENT STATION SERVICE

18 PAYMENTS AND EXPENSES

19 For payments to agricultural experiment stations, for
 20 grants for cooperative forestry research, and for other ex-
 21 penses, including (12) ~~\$38,113,000~~ \$40,613,000 to carry into
 22 effect the provisions of the Hatch Act, approved March 2,
 23 1887, as amended by the Act approved August 11, 1955
 24 (7 U.S.C. 361a-361i), including administration by the
 25 United States Department of Agriculture; \$500,000 for pay-

1 ments authorized under section 204 (b) of the Agricultural
 2 Marketing Act of 1946 (7 U.S.C. 1623) ; \$1,000,000 for
 3 grants for cooperative forestry research under the Act ap-
 4 proved October 10, 1962 (76 Stat. 806-807) ; \$310,000
 5 for penalty mail costs of agricultural experiment stations
 6 under section 6 of the Hatch Act of 1887, as amended;
 7 and \$460,000 for necessary expenses of the Cooperative
 8 State Experiment Station Service, including administration
 9 of payments to State agricultural experiment stations, funds
 10 for employment pursuant to the second sentence of section
 11 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), and
 12 not to exceed \$25,000 for employment under section 15
 13 of the Act of August 2, 1946 (5 U.S.C. 55a) ; in all,
 14 **(13)**~~\$40,383,000~~ *\$42,883,000*.

15 EXTENSION SERVICE

16 COOPERATIVE EXTENSION WORK, PAYMENTS AND EXPENSES

17 Payments to States and Puerto Rico: For payments for
 18 cooperative agricultural extension work under the Smith-
 19 Lever Act, as amended by the Act of June 26, 1953 (7
 20 U.S.C. 341-348), the Act of August 11, 1955 (7 U.S.C.
 21 347a) and the Act of October 5, 1962 (76 Stat. 745),
 22 **(14)**~~\$63,020,000~~ *\$68,430,000*; and payments and contracts

1 for such work under section 204 (b)–205 of the Agricultural
 2 Marketing Act of 1946 (7 U.S.C. 1623–1624), \$1,570,000;
 3 in all, ~~(15)\$64,590,000~~ \$70,000,000: *Provided*, That funds
 4 hereby appropriated pursuant to section 3 (c) of the Act
 5 of June 26, 1953, shall not be paid to any State or
 6 Puerto Rico prior to availability of an equal sum from non-
 7 Federal sources for expenditure during the current fiscal
 8 year.

9 Retirement and Employees' Compensation costs for ex-
 10 tension agents: For cost of employer's share of Federal
 11 retirement and for reimbursement for benefits paid from the
 12 Employees' Compensation Fund for cooperative extension
 13 employees, ~~(16)\$7,110,000~~ \$7,435,000.

14 Penalty mail: For costs of penalty mail for cooperative
 15 extension agents and State extension directors, \$3,113,000.

16 Federal Extension Service: For administration of the
 17 Smith-Lever Act, as amended by the Act of June 26, 1953
 18 (7 U.S.C. 341–348), the Act of August 11, 1955 (7
 19 U.S.C. 347a) and the Act of October 5, 1962 (76 Stat.
 20 745), and extension aspects of the Agricultural Marketing
 21 Act of 1946 (7 U.S.C. 1621–1627), and to coordinate and

1 provide program leadership for the extension work of the
2 Department and the several States and insular possessions,
3 \$2,500,000.

4 FARMER COOPERATIVE SERVICE

5 SALARIES AND EXPENSES

6 For necessary expenses to carry out the Act of July 2,
7 1926 (7 U.S.C. 451-457), and for conducting research
8 relating to the economic and marketing aspects of farmer
9 cooperatives, as authorized by the Agricultural Marketing
10 Act of 1946 (7 U.S.C. 1621-1627), ~~(17)\$1,195,000~~
11 \$1,201,000.

12 SOIL CONSERVATION SERVICE

13 CONSERVATION OPERATIONS

14 For necessary expenses for carrying out the provisions
15 of the Act of April 27, 1935 (16 U.S.C. 590a-590f),
16 including preparation of conservation plans and establish-
17 ment of measures to conserve soil and water (including
18 farm irrigation and land drainage and such special measures
19 as may be necessary to prevent floods and the siltation of
20 reservoirs); operation of conservation nurseries; classifica-
21 tion and mapping of soils; dissemination of information;
22 purchase and erection or alteration of permanent buildings;
23 and operation and maintenance of aircraft, ~~(18)\$97,480,000~~
24 \$99,000,000: *Provided*, That the cost of any permanent
25 building purchased, erected, or as improved, exclusive of the

1 cost of constructing a water supply or sanitary system and
2 connecting the same to any such building and with the
3 exception of buildings acquired in conjunction with land
4 being purchased for other purposes, shall not exceed
5 \$2,500, except for one building to be constructed at a cost
6 not to exceed \$25,000 and eight buildings to be constructed
7 or improved at a cost not to exceed \$15,000 per building
8 and except that alterations or improvements to other exist-
9 ing permanent buildings costing \$2,500 or more may be
10 made in any fiscal year in an amount not to exceed \$500
11 per building: *Provided further*, That no part of this appro-
12 priation shall be available for the construction of any such
13 building on land not owned by the Government: *Provided*
14 *further*, That no part of this appropriation may be expended
15 for soil and water conservation operations under the Act of
16 April 27, 1935 (16 U.S.C. 590a-590f), in demonstration
17 projects: *Provided further*, That this appropriation shall be
18 available for field employment pursuant to the second sentence
19 of section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574),
20 and not to exceed \$5,000 shall be available for employment
21 under section 15 of the Act of August 2, 1946 (5
22 U.S.C. 55a): *Provided further*, That qualified local engi-
23 neers may be temporarily employed at per diem rates to
24 perform the technical planning work of the service.

WATERSHED PROTECTION

For expenses necessary to conduct surveys, investigations, and research and to carry out preventive measures, including, but not limited to, engineering operations, methods of cultivation, the growing of vegetation, and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act, approved August 4, 1954, as amended (16 U.S.C. 1001–1008), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a–f), to remain available until expended, ~~(19)~~~~\$63,222,000~~ \$63,992,000, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for watershed protection purposes: *Provided*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$100,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a) : *Provided further*, That not to exceed \$3,000,000, together with the unobligated balance of funds previously appropriated for loans and related expense, shall be available for such purposes.

FLOOD PREVENTION

For expenses necessary, in accordance with the Flood Control Act, approved June 22, 1936 (33 U.S.C. 701–709, 16 U.S.C. 1006a), as amended and supplemented, and in

1 accordance with the provisions of laws relating to the activi-
 2 ties of the Department, to perform works of improvement,
 3 including funds for field employment pursuant to the second
 4 sentence of section 706 (a) of the Organic Act of 1944 (5
 5 U.S.C. 574), and not to exceed \$100,000 for employment
 6 under section 15 of the Act of August 2, 1946 (5 U.S.C.
 7 55a), to remain available until expended; \$25,465,000, with
 8 which shall be merged the unexpended balances of funds here-
 9 tofore appropriated or transferred to the Department for flood
 10 prevention purposes: *Provided*, That no part of such funds
 11 shall be used for the purchase of lands in the Yazoo and
 12 Little Tallahatchie watersheds without specific approval of
 13 the county board of supervisors of the county in which such
 14 lands are situated: *Provided further*, That not to exceed
 15 \$1,000,000, together with the unobligated balance of funds
 16 previously appropriated for loans and related expense, shall
 17 be available for such purposes.

18 GREAT PLAINS CONSERVATION PROGRAM

19 For necessary expenses to carry into effect a program
 20 of conservation in the Great Plains area, pursuant to section
 21 16 (b) of the Soil Conservation and Domestic Allotment
 22 Act, as added by the Act of August 7, 1956 (16 U.S.C.
 23 590p), ~~(20)\$12,994,000~~ \$14,640,000, to remain available
 24 until expended.

1 RESOURCE CONSERVATION AND DEVELOPMENT

2 For necessary expenses in planning and carrying out
 3 projects for resource conservation and development, and for
 4 sound land use, pursuant to the provisions of section 32 (e)
 5 of title III of the Bankhead-Jones Farm Tenant Act, as
 6 amended (7 U.S.C. 1011; 76 Stat. 607), and the provisions
 7 of the Act of April 27, 1935 (16 U.S.C. 590a-f), ~~(21)~~\$1,
 8 ~~200,000~~ \$2,200,000, to remain available until expended:
 9 *Provided*, That not to exceed \$500,000 of such amount shall
 10 be available for loans and related expenses under subtitle A
 11 of the Consolidated Farmers Home Administration Act of
 12 1961, as amended: *Provided further*, That this appropriation
 13 shall be available for field employment pursuant to the sec-
 14 ond sentence of section 706 (a) of the Organic Act of 1944
 15 (5 U.S.C. 574), and not to exceed \$50,000 shall be avail-
 16 able for employment under section 15 of the Act of August
 17 2, 1946 (5 U.S.C. 55a).

18 ECONOMIC RESEARCH SERVICE

19 SALARIES AND EXPENSES

20 For necessary expenses of the Economic Research
 21 Service in conducting economic research and service relating
 22 to agricultural production, marketing, and distribution, as
 23 authorized by the Agricultural Marketing Act of 1946 (7
 24 U.S.C. 1621-1627), and other laws, including economics of
 25 marketing; analyses relating to farm prices, income and

1 population, and demand for farm products, use of resources
2 in agriculture, adjustments, costs and returns in farming, and
3 farm finance; and for analyses of supply and demand for
4 farm products in foreign countries and their effect on
5 prospects for United States exports, progress in economic
6 development and its relation to sales of farm products,
7 assembly and analysis of agricultural trade statistics and
8 analysis of international financial and monetary programs
9 and policies as they affect the competitive position of United
10 States farm products; **(22)**~~\$9,832,000~~ \$9,965,700: *Pro-*
11 *vided*, That not less than \$350,000 of the funds contained in
12 this appropriation shall be available to continue to gather
13 statistics and conduct a special study on the price spread
14 between the farmer and consumer: *Provided further*, That
15 this appropriation shall be available for employment pursuant
16 to the second sentence of section 706 (a) of the Organic Act
17 of 1944 (5 U.S.C. 574), and not to exceed \$75,000 shall be
18 available for employment under section 15 of the Act of
19 August 2, 1946 (5 U.S.C. 55a): *Provided further*, That
20 not less than \$145,000 of the funds contained in this appro-
21 priation shall be available for analysis of statistics and related
22 facts on foreign production and full and complete information
23 on methods used by other countries to move farm com-
24 modities in world trade on a competitive basis.

1 STATISTICAL REPORTING SERVICE

2 SALARIES AND EXPENSES

3 For necessary expenses of the Statistical Reporting
4 Service in conducting statistical reporting and service work.
5 including crop and livestock estimates, statistical coordina-
6 tion and improvements, and marketing surveys, as author-
7 ized by the Agricultural Marketing Act of 1946 (7 U.S.C.
8 1621-1627) and other laws, ~~(23)\$11,079,000~~ \$11,486,-
9 000: *Provided*, That no part of the funds herein appropriated
10 shall be available for any expense incident to publishing esti-
11 mates of apple production for other than the commercial
12 crop.

13 AGRICULTURAL MARKETING SERVICE

14 ~~(24)~~MARKETING SERVICES

15 For expenses necessary to carry on services related to
16 agricultural marketing and distribution as authorized by the
17 ~~Agricultural Marketing Act of 1946 (7 U.S.C. 1621-~~
18 ~~1627)~~ and other laws, including the administration of mar-
19 keting regulatory acts connected therewith and for adminis-
20 tration and coordination of payments to States; and this appro-
21 priation shall be available for field employment pursuant to sec-
22 tion 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), and
23 not to exceed \$25,000 shall be available for employment at
24 rates not to exceed \$75 per diem under section 15 of the Act
25 of August 2 1946 (5 U.S.C. 55a), in carrying out sec-
26 tion 201(a) to 201(d), inclusive, of title II of the Ag-

1 Agricultural Adjustment Act of 1938 (7 U.S.C. 1291) and
 2 section 203(j) of the Agricultural Marketing Act of 1946;
 3 \$37,061,000.

4 *MARKETING RESEARCH AND SERVICE*

5 *For expenses necessary to carry on research and service*
 6 *to improve and develop marketing and distribution relating*
 7 *to agriculture as authorized by the Agricultural Marketing*
 8 *Act of 1946 (7 U.S.C. 1621-1627) and other laws, includ-*
 9 *ing the administration of marketing regulatory acts connected*
 10 *therewith; research and development, including related cost*
 11 *and efficiency evaluations, and services relating to agricul-*
 12 *tural marketing and distribution, for carrying out regulatory*
 13 *acts connected therewith, and for administration and coor-*
 14 *dination of payments to States; and this appropriation shall*
 15 *be available for field employment pursuant to section 706(a)*
 16 *of the Organic Act of 1944 (5 U.S.C. 574), and not to ex-*
 17 *ceed \$25,000 shall be available for employment at rates not*
 18 *to exceed \$75 per diem under section 15 of the Act of August*
 19 *2, 1946 (5 U.S.C. 55a) in carrying out section 201(a) to*
 20 *201(d), inclusive, of title II of the Agricultural Adjustment*
 21 *Act of 1938 (7 U.S.C. 1291) and section 203(j) of the*
 22 *Agricultural Marketing Act of 1946, \$44,514,100, of which*
 23 *\$1,600,000 is to remain available until expended for the con-*
 24 *struction of a peanut quality research facility and the*

1 *acquisition of the necessary land therefor by donation: Pro-*
 2 *vided, That research investigations undertaken at the national*
 3 *peanut quality evaluation laboratory must be truly national*
 4 *in scope and must give equivalent treatment to the different*
 5 *types of peanuts produced and marketed in the major peanut*
 6 *producing areas: Provided further, That appropriations*
 7 *hereunder shall be available pursuant to 5 U.S.C. 565a for*
 8 *the construction, alteration, and repair of buildings and im-*
 9 *provements, but unless otherwise provided, the cost of erecting*
 10 *any one building during the fiscal year shall not exceed*
 11 *\$20,000, except for one building to be constructed at a cost*
 12 *not to exceed \$50,000, and the cost of altering any one build-*
 13 *ing during the fiscal year shall not exceed \$7,500 or 7.5*
 14 *per centum of the cost of the building, whichever is greater.*

15 **PAYMENTS TO STATES AND POSSESSIONS**

16 For payments to departments of agriculture, bureaus
 17 and departments of markets, and similar agencies for market-
 18 ing activities under section 204 (b) of the Agricultural Mar-
 19 keting Act of 1946 (7 U.S.C. 1623 (b)), ~~(25)~~\$1,425,000
 20 \$1,500,000.

21 **SPECIAL MILK PROGRAM**

22 For necessary expenses to carry out the Special Milk
 23 Program, as authorized by the Act of August 8, 1961 (7
 24 U.S.C. 1446, note) , \$100,000,000.

SCHOOL LUNCH PROGRAM

For necessary expenses to carry out the provisions of the National School Lunch Act (42 U.S.C. 1751-1760), \$137,000,000: *Provided*, That no part of this appropriation shall be used for nonfood assistance under section 5 of said Act: *Provided further*, That \$45,000,000 shall be transferred to this appropriation from funds available under section 32 of the Act of August 24, 1935, for purchase and distribution of agricultural commodities and other foods pursuant to section 6 of the National School Lunch Act.

REMOVAL OF SURPLUS AGRICULTURAL COMMODITIES

(SECTION 32)

No funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) shall be used for any purpose other than commodity program expenses as authorized therein, and other related operating expenses, except for (1) transfers to the Department of the Interior as authorized by the Fish and Wildlife Act of August 8, 1956, (2) transfers otherwise provided in this Act, (3) not more than \$4,754,000 for formulation and administration of marketing agreements and orders pursuant to the Agricultural Marketing Agreement Act of 1937, as amended, and the Agricultural Act of 1961, and (4) not more than ~~(26)~~\$40,000,000 \$51,500,000 for expenses for the Pilot Food Stamp Pro-

1 gram(27), and ~~(5)~~ not more than \$25,000,000 for transfer
 2 to the Commodity Credit Corporation to be used to increase
 3 domestic consumption of any farm commodity or farm com-
 4 modities determined by the Secretary of Agriculture to be in
 5 surplus supply and hereafter such sums as may be approved
 6 by the Congress shall be available for such purpose.

7 FOREIGN AGRICULTURAL SERVICE

8 SALARIES AND EXPENSES

9 For necessary expenses for the Foreign Agricultural
 10 Service, including carrying out title VI of the Agricultural
 11 Act of 1954 (7 U.S.C. 1761-1768), market development
 12 activities abroad, and for enabling the Secretary to coordinate
 13 and integrate activities of the Department in connection with
 14 foreign agricultural work, including not to exceed \$35,000
 15 for representation allowances and for expenses pursuant to
 16 section 8 of the Act approved August 3, 1956 (7 U.S.C.
 17 1766), ~~(28)\$18,505,000~~ \$19,039,000: *Provided*, That not
 18 less than \$255,000 of the funds contained in this appropriation
 19 shall be available to obtain statistics and related facts on for-
 20 eign production and full and complete information on methods
 21 used by other countries to move farm commodities in world
 22 trade on a competitive basis: *Provided further*, That, in
 23 addition, not to exceed \$3,117,000 of the funds appropriated
 24 by section 32 of the Act of August 24, 1935, as amended
 25 (7 U.S.C. 612c), shall be merged with this appropriation

1 and shall be available for all expenses of the Foreign Agri-
2 cultural Service.

3 COMMODITY EXCHANGE AUTHORITY

4 SALARIES AND EXPENSES

5 For necessary expenses to carry into effect the provi-
6 sions of the Commodity Exchange Act, as amended (7
7 U.S.C. 1-17a), ~~(29)\$1,093,000~~ \$1,095,000.

8 AGRICULTURAL STABILIZATION AND CONSERVATION

9 SERVICE

10 EXPENSES, AGRICULTURAL STABILIZATION AND

11 CONSERVATION SERVICE

12 For necessary administrative expenses of the Agricul-
13 tural Stabilization and Conservation Service, including ex-
14 penses to formulate and carry out programs authorized by
15 title III of the Agricultural Adjustment Act of 1938, as
16 amended (7 U.S.C. 1301-1393) ; Sugar Act of 1948, as
17 amended (7 U.S.C. 1101-1161) ; sections 7 to 15, 16 (a) ,
18 16 (d) , 16 (e) , 16 (f) , and 17 of the Soil Conservation and
19 Domestic Allotment Act, as amended (16 U.S.C. 590g-
20 590 (o) , 590p (a) , and 590q ; 76 Stat. 606-607) as added by
21 section 132 of the Act of August 8, 1961 ; subtitles B and
22 C of the Soil Bank Act (7 U.S.C. 1831-1837, 1802-1814,
23 and 1816) ; and laws pertaining to the Commodity Credit
24 Corporation, ~~(30)\$105,737,000~~ \$107,091,400: *Provided,*
25 That, in addition, not to exceed \$94,885,000 may be trans-

ferred to and merged with this appropriation from the Com-
modity Credit Corporation fund (including not to exceed
\$40,051,000 under the limitation on Commodity Credit Cor-
poration administrative expenses) : *Provided further*. That
other funds made available to Agricultural Stabilization and
Conservation Service for authorized activities may be ad-
vanced to and merged with this appropriation(31): *Provided*
further, That no part of the funds appropriated or made
available under this Act shall be used, (1) to influence the vote
in any referendum; (2) to influence agricultural legislation
except as permitted in 18 U.S.C. 1913; or (3) for salaries or
other expenses of members of county and community commit-
tees established pursuant to section 8(b) of the Soil Conserva-
tion and Domestic Allotment Act, as amended, for engaging in
any activities other than advisory and supervisory duties and
delegated program functions prescribed in administrative
regulations.

SUGAR ACT PROGRAM

19 For necessary expenses to carry into effect the provi-
20 sions of the Sugar Act of 1948 (7 U.S.C. 1101-1161),
21 \$78,000,000, to remain available until June 30 of the next
22 succeeding fiscal year.

AGRICULTURAL CONSERVATION PROGRAM

24 For necessary expenses to carry into effect the program
25 authorized in sections 7 to 15, 16(a), and 17 of the Soil

1 Conservation and Domestic Allotment Act, approved Feb-
 2 ruary 29, 1936, as amended (16 U.S.C. 590g-590 (o),
 3 590p (a), and 590q), including not to exceed \$6,000 for
 4 the preparation and display of exhibits, including such dis-
 5 plays at State, interstate, and international fairs within the
 6 United States, \$215,000,000, to remain available until De-
 7 cember 31 of the next succeeding fiscal year for compliance
 8 with the programs of soil-building and soil- and water-
 9 conserving practices authorized under this head in the
 10 Department of Agriculture and Related Agencies Appro-
 11 priation Acts, 1962 and 1963, carried out during the period
 12 July 1, 1961, to December 31, 1963, inclusive: *Provided*,
 13 That none of the funds herein appropriated shall be used to
 14 pay the salaries or expenses of any regional information
 15 employees or any State information employees, but this
 16 shall not preclude the answering of inquiries or supplying of
 17 information at the county level to individual farmers(32):
 18 ~~*Provided further*, That no portion of the funds for the 1964~~
 19 ~~program may be utilized to provide financial or technical assist-~~
 20 ~~ance for drainage on wetlands now designated as Wetland~~
 21 ~~Types 3 (III), 4 (IV), and 5 (V) in United States Depart-~~
 22 ~~ment of the Interior Fish and Wildlife Service Circular 39,~~
 23 ~~Wetlands of the United States 1956: *Provided further*, That~~
 24 ~~no portion of the funds for the 1964 program may be utilized to~~
 25 ~~provide financial or technical assistance in any State of the~~

1 *Union for drainage of wetlands, except as subject to the same*
2 *conditions as are provided by Public Law 87-732, approved*
3 *October 2, 1962: Provided further, That necessary amounts*
4 *shall be available for administrative expenses in connection*
5 *with the formulation and administration of the 1964 program*
6 *of soil-building and soil- and water-conserving practices, in-*
7 *cluding related wildlife conserving practices, under the Act of*
8 *February 29, 1936, as amended (amounting to \$250,000,000,*
9 *including administration, except that no participant shall re-*
10 *ceive more than \$2,500, except where the participants from*
11 *two or more farms or ranches join to carry out approved prac-*
12 *tices designed to conserve or improve the agricultural resources*
13 *of the community) : Provided further, That not to exceed 5 per*
14 *centum of the allocation for the current year's agricultural*
15 *conservation program for any county may, on the recom-*
16 *mendation of such county committee and approval of the*
17 *State committee, be withheld and allotted to the Soil Con-*
18 *servation Service for services of its technicians in formulating*
19 *and carrying out the agricultural conservation program in*
20 *the participating counties, and shall not be utilized by the*
21 *Soil Conservation Service for any purpose other than tech-*
22 *nical and other assistance in such counties, and in addition,*
23 *on the recommendation of such county committee and ap-*
24 *proval of the State committee, not to exceed 1 per centum*

1 may be made available to any other Federal, State, or local
2 public agency for the same purpose and under the same con-
3 ditions: *Provided further*, That for the current year's pro-
4 gram \$2,500,000 shall be available for technical assistance
5 in formulating and carrying out agricultural conservation
6 practices: *Provided further*, That such amounts shall be
7 available for the purchase of seeds, fertilizers, lime, trees, or
8 any other farming material, or any soil-terracing services.
9 and making grants thereof to agricultural producers to aid
10 them in carrying out farming practices approved by the Sec-
11 retary under programs provided for herein: *Provided further*,
12 That no part of any funds available to the Department, or
13 any bureau, office, corporation, or other agency constituting
14 a part of such Department, shall be used in the current fiscal
15 year for the payment of salary or travel expenses of any
16 person who has been convicted of violating the Act entitled
17 "An Act to prevent pernicious political activities", approved
18 August 2, 1939, as amended, or who has been found in
19 accordance with the provisions of title 18, United States
20 Code, section 1913, to have violated or attempted to violate
21 such section which prohibits the use of Federal appropria-
22 tions for the payment of personal services or other expenses
23 designed to influence in any manner a Member of Congress

1 to favor or oppose any legislation or appropriation by Con-
 2 gress except upon request of any Member or through the
 3 proper official channels.

4 CONSERVATION RESERVE PROGRAM

5 For necessary expenses to carry out a conservation re-
 6 serve program as authorized by subtitles B and C of the
 7 Soil Bank Act (7 U.S.C. 1831-1837, 1802-1814, and
 8 1816), and to carry out liquidation activities for the acreage
 9 reserve program, to remain available until expended,
 10 \$294,000,000, with which may be merged the unexpended
 11 balances of funds heretofore appropriated for soil bank
 12 programs: *Provided*, That no part of these funds shall be
 13 paid on any contract which is illegal under the law due to
 14 the division of lands for the purpose of evading limits on
 15 annual payments to participants.

16 LAND-USE ADJUSTMENT PROGRAM

17 For necessary expenses to promote the conservation and
 18 economic use of land pursuant to the provisions of section
 19 16 (e) of the Soil Conservation and Domestic Allotment Act
 20 (16 U.S.C. 590h, 590p), as amended by the Act of Septem-
 21 ber 27, 1962 (76 Stat. 606), ~~(33)\$10,000,000~~ \$12,150,-
 22 000, to remain available until expended.

OFFICE OF RURAL AREAS DEVELOPMENT

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, of the Office of Rural Areas Development in providing leadership, coordination, liaison, and related services in the rural areas development activities of the Department, \$120,000: *Provided*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$3,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

OFFICE OF THE GENERAL COUNSEL

SALARIES AND EXPENSES

For necessary expenses, including payment of fees or dues for the use of law libraries by attorneys in the field service, ~~(34)\$3,953,000~~ \$3,987,000.

OFFICE OF INFORMATION

SALARIES AND EXPENSES

For necessary expenses of the Office of Information for the dissemination of agricultural information and the coordination of informational work and programs authorized by Congress in the Department, \$1,684,000, of which total

1 appropriation not to exceed \$537,000 may be used for
 2 farmers' bulletins, which shall be adapted to the interests
 3 of the people of the different sections of the country, an
 4 equal proportion of four-fifths of which shall be delivered to
 5 or sent out under the addressed franks furnished by the
 6 Senators, Representatives, and Delegates in Congress, as
 7 they shall direct (7 U.S.C. 417), and not less than two
 8 hundred and thirty-two thousand two hundred and fifty
 9 copies for the use of the Senate and House of Representatives
 10 of part 2 of the annual report of the Secretary (known as
 11 the Yearbook of Agriculture) as authorized by section 73
 12 of the Act of January 12, 1895 (44 U.S.C. 241) : *Provided*,
 13 That in the preparation of motion pictures or exhibits by the
 14 Department, this appropriation shall be available for em-
 15 ployment pursuant to the second sentence of section 706 (a)
 16 of the Organic Act of 1944 (5 U.S.C. 574), and not to
 17 exceed \$10,000 shall be available for employment under
 18 section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

19 NATIONAL AGRICULTURAL LIBRARY

20 SALARIES AND EXPENSES

21 For necessary expenses of the National Agricultural
 22 Library, (35)\$1,420,000 \$1,426,140.

LIBRARY FACILITIES

For the preparation of plans, specifications, and drawings for the National Agricultural Library, \$450,000, to remain available until expended.

GENERAL ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses of the Office of the Secretary of Agriculture and for general administration of the Department of Agriculture, including expenses of the National Agricultural Advisory Commission; repairs and alterations; and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department of Agriculture, ~~(36)\$3,735,000~~ \$3,760,550: *Provided*, That this appropriation shall be reimbursed from applicable appropriations for travel expenses incident to the holding of hearings as required by the Administrative Procedures Act (5 U.S.C. 1001): *Provided further*, That not to exceed \$2,500 of this amount shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary.

1 TITLE II—CREDIT AGENCIES

2 RURAL ELECTRIFICATION ADMINISTRATION

3 To carry into effect the provisions of the Rural Electri-
4 fication Act of 1936, as amended (7 U.S.C. 901-924), as
5 follows:

6 LOAN AUTHORIZATIONS

7 For loans in accordance with said Act, and for carrying
8 out the provisions of section 7 thereof, to be borrowed from
9 the Secretary of the Treasury in accordance with the provi-
10 sions of section 3 (a) of said Act, as follows: Rural electrifi-
11 cation program, \$425,000,000, of which \$150,000,000 shall
12 be placed in reserve to be borrowed under the same terms
13 and conditions to the extent that such amount is required
14 during the current fiscal year under the then existing con-
15 ditions for the expeditious and orderly development of the
16 rural electrification program; and rural telephone program,
17 \$70,000,000.

18 SALARIES AND EXPENSES

19 For administrative expenses, including not to exceed
20 \$500 for financial and credit reports, funds for employment
21 pursuant to the second sentence of section 706 (a) of the
22 Organic Act of 1944 (5 U.S.C. 574), and not to exceed
23 \$150,000 for employment under section 15 of the Act of
24 August 2, 1946 (5 U.S.C. 55a), ~~(37)\$11,162,000~~
25 \$11,287,000.

FARMERS HOME ADMINISTRATION

DIRECT LOAN ACCOUNT

Direct loans and advances under subtitles A and B, and advances under section 335 (a) for which funds are not otherwise available, of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1921), as amended, may be made from funds available in the Farmers Home Administration direct loan account as follows: real estate loans, \$60,000,000; and operating loans, \$300,000,000, of which \$50,000,000 shall be placed in reserve to be used only to the extent required during current fiscal year under the then existing conditions for the expeditious and orderly conduct of the loan program.

(38)RURAL HOUSING LOANS

For rural housing loans, \$25,000,000, to be made available in addition to and in the same manner and under the terms and conditions applicable to funds provided under section 511 of the Housing Act of 1949, as amended.

RURAL RENEWAL

For necessary expenses, including administrative expenses, in carrying out rural renewal activities under section 32 (e) of title III of the Bankhead-Jones Farm Tenant Act, as amended, (39)\$1,000,000 \$1,350,000.

1 RURAL HOUSING FOR THE ELDERLY REVOLVING FUND

2 For loans pursuant to section 515 (a) of the Housing
 3 Act of 1949, as amended (42 U.S.C. 1484; 76 Stat. 671),
 4 including advances pursuant to section 335 (a) of the Con-
 5 solidated Farmers Home Administration Act of 1961 (7
 6 U.S.C. 1985) in connection with security for such loans,
 7 ~~(40)\$2,000,000~~ \$3,500,000.

8 SALARIES AND EXPENSES

9 For necessary expenses of the Farmers Home Admin-
 10 istration, not otherwise provided for, in administering the
 11 programs authorized by the Consolidated Farmers Home
 12 Administration Act of 1961 (7 U.S.C. 1921), as amended,
 13 title V of the Housing Act of 1949, as amended (42 U.S.C.
 14 1471-1484), and the Rural Rehabilitation Corporation Trust
 15 Liquidation Act, approved May 3, 1950 (40 U.S.C. 440-
 16 444) ; ~~(41)\$38,367,000~~ \$39,367,000, together with not more
 17 than \$1,050,000 of the charges collected in connection with
 18 the insurance of loans as authorized by section 309 (e) of the
 19 Consolidated Farmers Home Administration Act of 1961, as
 20 amended, and section 514 (b) (3) of the Housing Act of
 21 1949, as amended: *Provided*, That, in addition, not to exceed
 22 \$500,000 of the funds available for the various programs
 23 administered by this Agency may be transferred to this
 24 appropriation for temporary field employment pursuant to the

1 second sentence of section 706 (a) of the Organic Act of 1944
 2 (5 U.S. C. 574) to meet unusual or heavy workload increases.

3 TITLE III—CORPORATIONS

4 The following corporations and agencies are hereby
 5 authorized to make such expenditures, within the limits of
 6 funds and borrowing authority available to each such cor-
 7 poration or agency and in accord with law, and to make
 8 such contracts and commitments without regard to fiscal
 9 year limitations as provided by section 104 of the Govern-
 10 ment Corporation Control Act, as amended, as may be
 11 necessary in carrying out the programs set forth in the
 12 budget for the current fiscal year for such corporation or
 13 agency, except as hereinafter provided:

14 FEDERAL CROP INSURANCE CORPORATION

15 ADMINISTRATIVE AND OPERATING EXPENSES

16 For administrative and operating expense, ~~(42)\$6,-~~
 17 ~~950,000~~ \$7,210,000.

18 FEDERAL CROP INSURANCE CORPORATION FUND

19 Not to exceed ~~(43)\$3,530,000~~ \$3,480,000 of administra-
 20 tive and operating expense may be paid from premium
 21 income.

22 COMMODITY CREDIT CORPORATION

23 REIMBURSEMENT FOR NET REALIZED LOSSES

24 To reimburse the Commodity Credit Corporation for
 25 net realized losses sustained during the fiscal year ending

1 June 30, 1962, pursuant to the Act of August 17, 1961
2 (15 U.S.C. 713a-11, 713a-12), ~~(44)\$2,500,000,000~~
3 \$2,699,400,000.

4 LIMITATION ON ADMINISTRATIVE EXPENSES

5 Nothing in this Act shall be so construed as to prevent
6 the Commodity Credit Corporation from carrying out any
7 activity or any program authorized by law: *Provided*,
8 That not to exceed \$41,650,000 shall be available for
9 administrative expenses of the Corporation: *Provided fur-*
10 *ther*, That \$1,000,000 of this authorization shall be avail-
11 able only to expand and strengthen the sales program of the
12 Corporation pursuant to authority contained in the Corpora-
13 tion's charter: *Provided further*, That not less than 7 per
14 centum of this authorization shall be placed in reserve to be
15 apportioned pursuant to section 3679 of the Revised Statutes,
16 as amended, for use only in such amounts and at such
17 times as may become necessary to carry out program opera-
18 tions: *Provided further*, That all necessary expenses (includ-
19 ing legal and special services performed on a contract or fee
20 basis, but not including other personal services) in connec-
21 tion with the acquisition, operation, maintenance, improve-
22 ment, or disposition of any real or personal property
23 belonging to the Corporation or in which it has an interest,

1 including expenses of collections of pledged collateral, shall
2 be considered as nonadministrative expenses for the purposes
3 hereof.

4 TITLE IV—FOREIGN ASSISTANCE PROGRAMS

5 PUBLIC LAW 480

6 For expenses during fiscal year 1964, not otherwise
7 recoverable, and unrecovered prior years' costs, including
8 interest thereon, under the Agricultural Trade Development
9 and Assistance Act of 1954, as amended (7 U.S.C. 1701–
10 1709, 1721–1724, 1731–1736), to remain available until
11 expended, as follows: (1) Sale of surplus agricultural com-
12 modities for foreign currencies pursuant to title I of said
13 Act, ~~(45)\$1,452,000,000~~ \$1,252,000,000; (2) commodi-
14 ties disposed of for emergency famine relief to friendly
15 peoples pursuant to title II of said Act, \$215,451,000; and
16 (3) long-term supply contracts pursuant to title IV of said
17 Act, ~~(46)\$52,515,000~~ \$79,000,000.

18 INTERNATIONAL WHEAT AGREEMENT

19 For expenses during fiscal year 1964 and unrecovered
20 prior years' costs, including interest thereon, under the In-
21 ternational Wheat Agreement Act of 1949, as amended
22 (7 U.S.C. 1641–1642), ~~(47)\$86,218,000~~ \$92,356,000, to
23 remain available until expended.

1 BARTERED MATERIALS FOR SUPPLEMENTAL STOCKPILE

2 For expenses during fiscal year 1964 and unrecovered
3 prior years' costs related to strategic and other materials
4 acquired as a result of barter or exchange of agricultural
5 commodities or products and transferred to the supplemental
6 stockpile pursuant to Public Law 540, Eighty-fourth Con-
7 gress (7 U.S.C. 1356), \$82,860,000, to remain available
8 until expended.

9 TITLE V—RELATED AGENCIES

10 FARM CREDIT ADMINISTRATION

11 LIMITATION ON ADMINISTRATIVE EXPENSES

12 Not to exceed \$2,785,000 (from assessments collected
13 from farm credit agencies) shall be obligated during the cur-
14 rent fiscal year for administrative expenses.

15 TITLE VI—GENERAL PROVISIONS

16 SEC. 601. Within the unit limit of cost fixed by law,
17 appropriations and authorizations made for the Department
18 under this Act shall be available for the purchase, in addi-
19 tion to those specifically provided for, of not to exceed five
20 hundred and fifteen passenger motor vehicles, of which four
21 hundred and ninety-eight shall be for replacement only, and
22 for the hire of such vehicles.

23 SEC. 602. Provisions of law prohibiting or restricting
24 the employment of aliens shall not apply to employment
25 under the appropriation for the Foreign Agricultural Service.

1 SEC. 603. Funds available to the Department of Agri-
2 culture shall be available for uniforms or allowances therefor
3 as authorized by the Act of September 1, 1954, as amended
4 (5 U.S.C. 2131).

5 SEC. 604. No part of the funds appropriated by this Act
6 shall be used for the payment of any officer or employee of
7 the Department who, as such officer or employee, or on
8 behalf of the Department or any division, commission, or
9 bureau thereof, issues, or causes to be issued, any prediction,
10 oral or written, or forecast, except as to damage threatened
11 or caused by insects and pests, with respect to future prices
12 of cotton or the trend of same.

13 SEC. 605. Except to provide materials required in or
14 incident to research or experimental work where no suitable
15 domestic product is available, no part of the funds appro-
16 priated by this Act shall be expended in the purchase of
17 twine manufactured from commodities or materials produced
18 outside of the United States.

19 SEC. 606. Not less than \$1,500,000 of the appropria-
20 tions of the Department for research and service work author-
21 ized by the Acts of August 14, 1946, July 28, 1954, and
22 September 6, 1958 (7 U.S.C. 427, 1621-1629; 42 U.S.C.
23 1891-1893), shall be available for contracting in accordance
24 with said Acts.

25 SEC. 607. No part of the funds appropriated by this Act

1 shall be used to conduct or assist in conducting any program
2 (including but not limited to the payment of salaries, admin-
3 istrative expenses, and the conduct of research activities)
4 related directly or indirectly to the establishment of a national
5 service corps or similar domestic peace corps type of program.

6 This Act may be cited as the "Department of Agricul-
7 ture and Related Agencies Appropriation Act, 1964".

Passed the House of Representatives June 6, 1963.

Attest: RALPH R. ROBERTS,
Clerk.

Passed the Senate with amendments September 30,
1963.

Attest: FELTON M. JOHNSTON,
Secretary.

AN ACT

Making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 30, 1963

Ordered to be printed with the amendments of the
Senate numbered

Digest of CONGRESSIONAL PROCEEDINGS

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
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OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued Nov. 15, 1963
For actions of Nov. 14, 1963
88th-1st; No. 184

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HIGHLIGHTS: Senate debated foreign aid authorization bill. Sen. Neuberger urged enactment of legislation for stricter pesticide labeling. Sen. Dominick proposed revision of wheat grading standards. Sen. Symington expressed concern over economic effects of increased beef imports. House appointed conferees on agricultural appropriation bill. House passed bill to implement International Coffee Agreement. Rep. Rosenthal urged Federal subsidies to livestock industry. House committee reported bill for land and water conservation fund for outdoor recreation. House subcommittee voted to report bill to prohibit registration of pesticides under protest. Sen. Muskie introduced and discussed bill to provide loans to certain farmers due to serious economic conditions.

SENATE

1. **FOREIGN AID.** Continued debate on H.R. 7885, the foreign aid authorization bill (pp. 20757-63, 20769-818). Agreed to an amendment by Sen. Miller to place a limitation of \$5 million on U. S. contributions to the Food and Agriculture Organization (p. 20801). By a vote of 79 to 1, agreed to an amendment by Sen. Cooper to provide for the appointment of committees by the President to evaluate the economic development program in each country receiving aid (pp. 20802-5). By a vote of 29 to 56, rejected an amendment by Sen. Morse to limit to 50 the number of countries that could receive aid after June 30, 1965, and to establish standards that recipients of future aid must meet (pp. 20789-97). By a vote of 15 to 68, rejected an amendment by Sen. Morse to substitute the language of the House-passed bill for the pending measure (pp. 20797-801). Tabled a motion by Sen. Douglas to reconsider the vote by which an amendment

by Sen. Carlson was agreed to Nov. 13 providing that fishery products included in the food-for-peace program shall not include fish flour until this product has been approved by the Food and Drug Administration (pp. 20769-76). Pending at recess was an amendment by Sen. Mundt to provide that neither the Export-Import Bank nor any other agency shall guarantee the payment of any obligations incurred by any Communist country in connection with the purchase of grain or any other product. By a vote of 40 to 46, rejected a motion by Sen. Mansfield to table the Mundt amendment. (pp. 20805-18). Sen. Lausche submitted an amendment intended to be proposed to this bill (p. 20818).

2. PESTICIDES. Sen. Neuberger commended Senate passage of the bill to prohibit the labeling of pesticides under protest, urged the passage of additional legislation to require that pesticide labels inform the user of the product's potential hazard to fish and wildlife, and inserted an article on the matter. p. 20748
3. WHEAT GRADING. Sen. Dominick criticized the present wheat grading standards as having too broad a gradation between various standards of wheat and urged this Department "to impose standards which would give us a competitive situation with other countries." p. 20751
4. BEEF IMPORTS. Sen. Symington expressed concern over the effects of beef imports, stated that a dressed beef company in Kansas City was closing down because it "is unable to compete with the greatly increased importation of meat and meat animals," and inserted his letter to Secretary Freeman urging that action be taken to meet this situation. pp. 20836-7
5. FOREIGN TRADE. Sen. Javits inserted statement of the board of directors of the Buffalo Area Chamber of Commerce favoring repeal of the Buy American Act and supporting enactment of legislation for stricter controls under the Anti-dumping Act. pp. 20831-2
6. EDUCATION. Sens. Pearson and Carlson spoke in support of legislation to extend the program of Federal assistance to schools in federally impacted areas. p. 20752
7. BALANCE OF PAYMENTS. Sen. Proxmire inserted three papers submitted to the Joint Economic Committee analyzing the balance of payments situation and recommending solutions to the problem. pp. 20763-6
8. FOOD AND AGRICULTURE ORGANIZATION. Sen. Miller was designated to be an observer at the Food and Agriculture Organization conference to be held in Rome on Nov. 16 to Dec. 3. p. 20818
9. TAXATION. Sen. Dirksen inserted the testimony of Dr. Roger A. Freeman before the Senate Finance Committee discussing the proposed tax reduction bill and economic conditions in general. pp. 20818-29

HOUSE

10. AGRICULTURAL APPROPRIATION BILL, 1964. Conferees were appointed on this bill, H. R. 6754, Senate conferees have already been appointed. p. 20707
11. COFFEE. By a vote of 182 to 144, passed with amendment H. R. 8864, to carry out U. S. obligations under the International Coffee Agreement of 1962



United States
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PROCEEDINGS AND DEBATES OF THE 88th CONGRESS, FIRST SESSION

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No. 184

House of Representatives

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Ephesians 4: 1: I beseech you to walk worthy of the vocation wherewith ye are called.

Almighty God, grant that in these days of turmoil and confusion, we may be inspired with a greater faith in the power of righteousness and above all with a greater faith in Thy divine providence.

We are confident that our beloved country will never go down in defeat or lose its national identity if, as citizens of this great Republic and as leaders in the affairs of church and state, we continue to put our trust in Thee.

Show us how this dear land of ours may be delivered from those immoralities and those evils of crime and graft and corruption which are a blight upon our national character and a disgrace to our body politic.

Wilt Thou bless our domestic and foreign policies and may the spirit of unity prevail as we accept the challenge to build a world community ruled by the Prince of Peace.

In His name we pray. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

PUBLIC WORKS APPROPRIATIONS

Mr. CANNON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tomorrow night to file a report on the public works appropriation bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. JENSEN reserved all points of order on the bill.

APPROPRIATIONS, DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES, 1964

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H.R. 6754, mak-

ing appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi? The Chair hears none, and appoints the following conferees: Messrs. WHITTEN, NATCHER, CANNON, HORAN, and MICHEL.

APPROPRIATIONS FOR MILITARY CONSTRUCTION, FISCAL YEAR 1964

Mr. SIKES. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations have until midnight tonight to file a report on the bill making appropriations for military construction for the year ending June 30, 1964, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. JONAS reserved all points of order on the bill.

CORRECTION OF RECORD

Mr. HALEY. Mr. Speaker, in my remarks on November 13, appearing at page 20547 of the CONGRESSIONAL RECORD, the words "of adding prayer books" should be deleted and the words "adding nine Holy Bibles" substituted therefor.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

SUBCOMMITTEE ON ELECTIONS, COMMITTEE ON HOUSE ADMINISTRATION

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Subcommittee on Elections of the Committee on House Administration may sit while the House is in session this afternoon during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

CBS FEATURE BROADCAST

(Mr. RHODES of Pennsylvania asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. RHODES of Pennsylvania. Mr. Speaker, I rise to express commendation of the Columbia Broadcasting Co. for their great service to our Nation and to the cause of commonsense and common decency which they rendered last night in presenting a feature broadcast entitled "The Case History of a Rumor."

It had to do with creating fear and frustration due to a fantastic rumor that grew out of plans by the United States for a military maneuver in Georgia. Many were led to fear an invasion by barefoot African and foreign troops.

The broadcast portrayed one of the great dangers which confronts the United States today and the growing threat to representative government. It exposed the fanatical hate groups which spread these rumors and believe our Government is the enemy of the people and that any legislation to improve the lot of the average citizen is communistic and will lead the Nation to bankruptcy and disaster.

I want to include the senior Senator from California in expressing my commendation. He is not of my party but his service to our country has been tremendous.

I wish, however, that the program would have included the major sources of funds that feed these hate groups. The American people should know that they are really paying for this campaign that creates confusion, hate, distrust, and disunity; and for the organized efforts of these groups against programs that the people and the Nation need.

The American people are paying for the tax privileges which benefit big oil monopolies and those individuals who finance, not only these hate groups but other efforts to destroy the social gains

our people have won in the past generation.

NEED FOR INTERNATIONAL INSTITUTIONS

(Mr. EDWARDS asked and was given permission to address the House for 1 minute.)

Mr. EDWARDS. Mr. Speaker, now that the limited test ban treaty is a reality, representing a tiny but encouraging step toward a warless world, it is our duty to make preparations for the next step. To do less, or to do nothing, is to ignore the most important matter on our agenda. All of our citizens are united in their abiding hope for a world free from the scourge of war and the burdens of armaments.

I am aware that there are serious disagreements on how to proceed, on what can be done now, that will not jeopardize our security. The present peacekeeping machinery of the United Nations is inadequate, and in the face of that inadequacy, no nation will feel secure without its own arms. It is for this reason that I strongly support the resolution sponsored in the Senate by Senator CLARK and 17 other Senators, and already introduced in the House by my good friend, the gentleman from California, Congressman GEORGE BROWN, and other Members of this body. This resolution recognizes the need for international institutions capable of keeping the peace. It seems to me that there is nothing to lose and much to be gained, to begin now to develop, through the United Nations, some first blueprints of a responsible and powerful peacekeeping machine. It will be a long and arduous task, but begin we must. As the President has so appropriately put it, in referring to the tree that took 75 years to mature, "Then we better plant it this afternoon."

DEPARTMENT OF JUSTICE INTERVENTION

(Mr. ANDREWS of Alabama asked and was given permission to address the House for 1 minute.)

Mr. ANDREWS of Alabama. Mr. Speaker, I have always thought that a good jury was one of the most essential and useful organizations that functioned under our system of government. Several days ago the grand jury in Selma, Ala., started an investigation and issued subpoenas for certain witnesses some of whom were employees of the Justice Department. The Justice Department went into the Federal district court in Mobile, Ala., and asked for an injunction to enjoin the grand jury from making an investigation. The district Federal court in Mobile, in my opinion, correctly refused such an injunction. The Justice Department went from there to the circuit court of appeals in New Orleans and obtained a writ directing the Federal district judge in Mobile to stop the grand jury in Selma, Ala., from making an investigation.

So far as I know, that is the first time in the history of this country that a grand jury has been enjoined from investigating crime. Somebody has some-

thing to hide. I do not know why the Justice Department is opposed to a grand jury in Alabama investigating anything.

This is a most dangerous precedent, and could lead to the destruction of our system of law enforcement.

A man cannot be prosecuted for a felony unless indicted by a grand jury. A grand jury cannot indict without an investigation, and if the Justice Department stops investigations by grand juries, the criminals of this country will have a field day.

I have just discussed this very serious matter with my colleague, the gentleman from Alabama [Mr. JONES], and he concurs in my statement.

USE OF THE NAVY YACHT "SEQUOIA"

(Mr. GROSS asked and was given permission to address the House for 1 minute.)

Mr. GROSS. Mr. Speaker, in a letter to Defense Secretary McNamara, dated October 24, I asked to be provided with records showing the number of times former Navy Secretary Fred Korth used the Navy yacht, the *Sequoia*, to entertain his associates from Continental National Bank in Fort Worth and extra good customers of the bank. I also asked for the names of all Continental officials and customers so entertained.

It took 3 weeks to receive the following one-paragraph reply, hand delivered to my office, signed by David E. McGiffert, assistant to the Secretary:

This is in reply to your letter to Secretary McNamara of October 24, 1963, concerning the *Sequoia*. It is my understanding that the *Sequoia* does not have a log or other official records which indicate all the persons aboard on any given occasion.

What kind of shoddy business is this where no records are maintained in the operations of a naval vessel?

By what authority are the Navy Secretary other high-ranking Government officials, and their special friends entitled to the taxpayer's luxury of a floating bar and restaurant, with no accounting to those who pay the bills—the American people?

Mr. Speaker, the time is long overdue for the *Sequoia* to be scrapped. It is safe to say that no one but a chosen few in Washington's ruling dynasty would mourn her passing.

LEGISLATIVE DELAYS

(Mr. CEDERBERG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CEDERBERG. Mr. Speaker, I read with interest yesterday that a distinguished Member of the other body inferred that the reason for their inactivity was somehow the fault of the House of Representatives. Also that he talked to a Member over here regarding the civil rights bill and stated that it would not be out for 2 weeks and they would not be able to act on it because of that. I know of no reason why the other body cannot act on civil rights any time it

wants to. Furthermore, I would like to submit to them that we have had over there—our appropriations for the Departments of State, Justice, Judiciary and Commerce—for 6 months, and there has not been any action on it as yet.

I understand from the news stories that I read that regardless of what happens with the tax bill or the civil rights bill the other body does not intend to take them up this year anyway. So I submit that what we ought to do is to take care of the necessary authorizations and the appropriations now. We have done a pretty good job in getting legislation over to the other body. If they would do as good a job as we have done, we could get out of here, not for Christmas, but for Thanksgiving.

LEGISLATIVE SITUATION

(Mr. BECKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BECKER. Mr. Speaker, once again exercising my prerogative as a member of the minority, and as the majority leader is on the floor, I would like to ask him what we are going to do in the next couple of weeks. Are we just going to be asked to go back and forth and sit 1 or 2 days a week and then push legislation off to the following week? I would like to know now. I would like to spend Thanksgiving with my family, and spend some time in my district, talking to my constituents.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. BECKER. Of course, I yield.

Mr. ALBERT. I do not know what the gentleman is going to do. I think I am going to work.

Mr. BECKER. Fine, then let us have something to work on. The gentleman cannot tell me that what we have been doing here these past weeks is work. We have had legislation only 1 or 2 days a week. What about Thanksgiving week? I understand the House will probably be off that week. Is this true? I would like to know now so that I can make arrangements. Why do we have to act as puppets at the end of strings operated by the puppeteers—the Democratic leaders—and come here for 1 day or 2 days a week? Why not have all this legislation in 1 week and let us get it done with? Why can we not know today what we are going to do a week from now?

I think the majority leader ought to answer those questions now. This is no way to conduct the House, after being in session for almost 11 months. The Democratic majority has not even brought up all appropriation bills that should have been passed before last June 30.

LEGISLATIVE BUSINESS

(Mr. BOGGS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOGGS. Mr. Speaker, I listened to the remarks made by the gentleman from New York [Mr. BECKER]. I know

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
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(For information only;
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Cotton.....14	National Service Corps...2	Tobacco.....9
	Public works.....1,6	Watersheds.....7
		Wheat.....4
		Wildlife.....8

HIGHLIGHTS: House received conference report on public works appropriation bill
House subcommittee voted to report National Service Corps bill. Rep. Hoeven stated
Johnson administration wants new wheat legislation. Rep. Cramer criticized public
works acceleration program. Rep. Alger criticized Cooley cotton bill.

HOUSE

1. PUBLIC WORKS APPROPRIATION BILL, 1964. Received the conference report on this bill, H. R. 9140 (H. Rept. 1027)(pp. 23034-44). As reported from conference, the bill includes \$30,000,000 (instead of \$45,000,000 as proposed by the Senate) for the public works acceleration program, of which \$2,000,000 is for the administration of the going program. The report states that the conferees agreed that the use of funds appropriated for this program, except for the \$2,000,000 for administration, shall be limited to community facilities type projects. This bill also includes general provisions applicable to the Government generally (see Digest 202 for a summary of these provisions).
2. NATIONAL SERVICE CORPS. The Special Subcommittee on Labor of the Education and Labor Committee voted to report to the full committee H. R. 5625, to provide for the establishment of a National Service Corps to strengthen community service programs in the U.S. p. D982
3. AGRICULTURAL APPROPRIATION BILL, 1964. The "Daily Digest" states that conferees met on this bill, H. R. 6754, but did not reach final agreement, and recessed subject to call. p. D983

4. WHEAT. Rep. Hoeven stated that the Johnson administration "wants new wheat legislation enacted into law before the 1964 election," and inserted a Wall Street Journal article stating that the administration "plans to submit a wheat control bill to Congress early next week based on voluntary, instead of forced, participation by farmers." p. 23051
5. FOREIGN AID APPROPRIATION BILL, 1964. Rep. Conte objected to a request by Rep. Passman that the Appropriations Committee have until midnight Sat., Dec. 14, to file a report on this bill. pp. 23033-4
6. PUBLIC WORKS. Rep. Cramer criticized the public works acceleration program, stated that "continuation of this program is not in the best public interest," and inserted a listing of accelerated public works projects. pp. 23051-5
7. WATERSHEDS. The Subcommittee on Conservation and Credit of the Agriculture Committee approved the following watershed projects: Little Shenango River, Pa. (amended); Marsh Creek, Pa. (amended); Briar Creek, Pa. (amended); Broad Brook, Mass.; Bradley Brook, Mass.; and Clam River, Mass. p. D982
8. WILDLIFE. The Interior and Insular Affairs Committee voted to report (but did not actually report) with amendment S. 793, to promote the conservation of the Nation's wildlife resources on the Pacific flyway in Ore. and Calif. and to aid in the administration of the Klamath reclamation project. p. D982
9. THE WAYS AND MEANS COMMITTEE voted to report (but did not actually report) with amendment H. R. 8975, to provide for the tariff classification of certain particleboard; without amendment H. R. 8461, to amend the Tariff Act of 1930 to permit the manufacture in bonded manufacturing warehouses of cigars made of tobacco imported from more than one foreign country; with amendment H. R. 7267, to authorize partial refunds of gasoline taxes directly to aerial applicators with respect to gasoline used by them in providing services to farmers in farming operations. p. D983
10. FOREIGN TRADE. The "Daily Digest" states that the conferees agreed to file a report on H. R. 2513, to amend provisions of the Tariff Act of 1930 which requires containers of imported articles to be marked to indicate country of origin so as to provide that when articles are repackaged in the U.S. and offered for sale the new packages must be marked to show the country of origin of the contents. As agreed to by the conferees, "the House would accept the Senate amendment thereto, having an effective date of Mar. 31, 1964, instead of June 1963." p. D983

SENATE

11. APPROPRIATIONS. Began consideration of H. R. 7063, the State-Justice-Commerce-Judiciary and related agencies appropriation bill, 1964. p. 23031
12. FOREIGN AID At the request of Sen. Mansfield, rescinded a unanimous-consent agreement providing for a vote Thurs. on the conference report on H. R. 7885, the foreign aid authorization bill. pp. 23031-3

ITEMS IN APPENDIX

13. AIR POLLUTION. A speech by Rep. Burkhalter complimenting Los Angeles on their efforts to solve the smog problem and mentioning the crop damage caused by air pollution in that county. pp. A7549-50

OBNOXIOUS MAIL

Committee on Post Office and Civil Service: Subcommittee met in executive session and ordered reported favorably to the full committee H.R. 319 (amended), to protect postal patrons from obscene mail matter and Communist propaganda by permitting the addressee to return such mail to the Post Office Department to notify the sender to remove his name from the mailing list.

WATER POLLUTION—ABANDONED MINES

Committee on Public Works: Continued hearings on H.R. 3166, and related measures, to amend the Federal Water Pollution Control Act; and H.R. 6844, and related bills, to provide for the sealing off of abandoned coal mines. Heard testimony from Representative Edwards; and public witnesses. Adjourned subject to call of the Chair.

TARIFFS—TAXES

Committee on Ways and Means: Met in executive session and ordered reported favorably to the House the following bills:

H.R. 2330 (amended), to amend the Tariff Act of 1930, regarding importation of antiques;

H.R. 98, to amend Internal Revenue Code with respect to exportation of imported distilled spirits;

H.R. 5739 (amended), to amend the Internal Revenue Code regarding life insurance companies;

H.R. 8975 (amended), to provide for the tariff classification of certain particleboard;

H.R. 8461, to amend the Tariff Act of 1930, regarding importation of cigars made of tobacco;

H.R. 7267 (amended), to amend the Internal Revenue Code regarding refunds of gasoline taxes by aerial applicators; and

H.R. 7301 (amended), to amend the Internal Revenue Code with respect to collapsible corporations.

GOVERNMENT RESEARCH

Select Committee on Government Research: Resumed hearings on current Government research programs, and heard testimony from Eugene P. Foley, Administrator, Small Business Administration; William C. Foster, Director, Arms Control and Disarmament Agency; other departmental officials; and public witnesses.

Joint Committee Meetings**APPROPRIATIONS—AGRICULTURE**

Conferees met in executive session to resolve the differences between the Senate- and House-passed versions of H.R. 6754, fiscal 1964 appropriations for the Department of Agriculture, and related agencies, but did not reach final agreement, and recessed subject to call.

APPROPRIATIONS—PUBLIC WORKS

Conferees, in an evening executive session on Tuesday, December 10, agreed to file a conference report on the

differences between the Senate- and House-passed versions of H.R. 9140, fiscal 1964 appropriations for public works.

MARKING OF IMPORTED ARTICLES

Conferees, in executive session, agreed to file a conference report on the difference between the Senate- and House-passed versions of H.R. 2513, requiring new packages of imported articles to be marked so as to indicate country of origin. As agreed by the conferees, the House would accept the Senate amendment thereto, having an effective date of March 31, 1964, instead of June 1963.

**COMMITTEE MEETINGS FOR THURSDAY,
DECEMBER 12**

(All meetings are open unless otherwise designated)

Senate

Committee on Appropriations, to continue, in executive session, its hearings on fiscal 1964 budget estimates for foreign aid, to hear Secretary of State Rusk, 10 a.m., 1223 New Senate Office Building.

Committee on Armed Services, on the promotion to lieutenant general of Maj. Gen. Andrew J. Goodpaster, to be Assistant to the Chairman of the Joint Chiefs of Staff, to hear Secretary of Defense McNamara, and on several pending bills (S. 1767, H.R. 4338, 2988, 2664, 3005), to be followed by executive session on H.R. 7356, re Air Force and Military Academies appointments, and on subcommittee report on article VII of the NATO Status of Forces Treaty, 10 a.m., 212 Old Senate Office Building.

Committee on Commerce, Merchant Marine and Fisheries Subcommittee, on S. 1773 and S. 1774, relating to vessel construction, 9:30 a.m., 5110 New Senate Office Building.

Committee on Finance, executive, on H.R. 8363, proposed Revenue Act of 1963, 10 a.m., 2221 New Senate Office Building.

Committee on Foreign Relations, to hold hearings on Convention with Mexico for the Solution of the Problem of the Chamizal (Ex. N, 88th Cong., 1st sess.), 10 a.m., 4221 New Senate Office Building.

Committee on Post Office and Civil Service, Civil Service Subcommittee, on H.R. 7381 and S. 1912, proposed Dual Compensation Act, 10 a.m., 6202 New Senate Office Building.

Committee on Public Works, Special Subcommittee, to continue its hearings on S. 1856 and S. 1121, increasing authorizations for accelerated public works, 9 a.m., 4200 New Senate Office Building.

Committee on Rules and Administration, to continue its executive hearings on financial and business activities of Senate employees and former Senate employees, 2 p.m., 301 Old Senate Office Building.

Special Committee on Aging, executive, to receive reports of its subcommittees, and to consider agenda of future activities, 10 a.m., 1318 New Senate Office Building.

House

Committee on Agriculture, Subcommittee on Wheat, on pending wheat legislation, 10 a.m., 1310 Longworth House Office Building.

Committee on Appropriations, Subcommittee on Defense, executive, 10 a.m., H-140, U.S. Capitol Building.

Committee on Armed Services, Subcommittee on Research and Development, executive, on review of Navy research and development programs, 10 a.m., 304 Cannon House Office Building.

Committee on Banking and Currency, executive, on S. 298, to amend Small Business Investment Act; and S. 2032, re financial assistance to victims of flood disasters, 10 a.m., 1301 Longworth House Office Building.

Committee on the District of Columbia, executive, on H.R. 4200, re D.C. securities sales, 11 a.m., 445-A Cannon House Office Building.

Subcommittee No. 4, on Columbia Plaza urban renewal project, 9 a.m., 445-A Cannon House Office Building.

Committee on Education and Labor, Select Subcommittee on Labor, on shorter workweek hearings, 10 a.m., 1302 Longworth House Office Building.

Committee on Government Operations, Subcommittee on Legal and Monetary Affairs, executive, on pending legislation, 10 a.m., 1127 Longworth House Office Building.

Committee on Interior and Insular Affairs, Subcommittee on Irrigation and Reclamation, on H.R. 9032, re fish and wildlife benefits-costs of Federal multiple-purpose water resource projects, 9:45 a.m., 1324 Longworth House Office Building.

Committee on the Judiciary, Subcommittee No. 3, on H.R. 323, 769, 5523, and S. 776, to permit the author of an original ornamental design to secure protection for a limited time against

unauthorized copying of the design, 10 a.m., 346 Cannon House Office Building.

Subcommittee No. 1, hearings on private immigration bills, 10 a.m., 327 Cannon House Office Building.

Subcommittee No. 4, executive, on pending legislation, 10 a.m., 327-B Cannon House Office Building.

Committee on Merchant Marine and Fisheries, executive, on on S. 1698, re commitment of construction reserve funds under Merchant Marine Act, 1936, 10 a.m., 219 Cannon House Office Building.

Committee on Ways and Means, executive, on miscellaneous bills, 10 a.m., committee room, Longworth House Office Building.

Select Committee on Government Research, to continue on current Government research programs, 9 a.m., 313-A Cannon House Office Building.

Joint Committees

Committees on Public Works of the Senate and House, to hold joint hearings on H.J. Res. 828 and S.J. Res. 136, and related bills, to rename the National Cultural Center as the John Fitzgerald Kennedy Memorial Center, 10 a.m., 362 Cannon House Office Building.



Congressional Record

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Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued Dec. 23, 1963

For actions of Dec. 20 and 21, 1963
88th-1st; Nos. 211 and 212

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HIGHLIGHTS: Both Houses agreed to conference report on agricultural appropriation bill. Sen. Miller requested investigation of soybean futures market. Sens. Curtis and Hruska and Rep. Montoya expressed concern about meat imports. Sen. Mansfield inserted statement on legislative accomplishments. House recommitted foreign aid appropriation bill with instructions against wheat-for-Russia compromise. Rep. Skubitz inserted his statement before Tariff Commission criticizing beef imports.

SENATE - Dec. 20

(H. Rept. 1088)

1. AGRICULTURAL APPROPRIATION BILL. Both Houses agreed to the conference report on this bill, H. R. 6754, and acted on amendments which had been reported in disagreement. This bill will now be sent to the President. Attached is a summary showing actions of the conferees, etc. pp. 24226-31, 24249-55, ~~24235~~
2. SOYBEAN FUTURES. Sen. Miller requested an investigation of the soybean futures market. pp. 24065-6
3. MEAT IMPORTS. Sens. Curtis and Hruska expressed concern about increases in livestock and meat imports. pp. 24067, 24073-5

4. SUGAR. Received from this Department a proposed bill to suspend during the calendar year 1964 restrictions on marketing of domestically produced sugar under the Sugar Act of 1948; to Finance Committee. p. 24256
5. INDIA. Sen. Miller inserted an article evaluating India's economic growth. pp. 24066-7
6. GRANTS-IN-AID. Sen. Pell commended plans to review grant-in-aid programs every five years for possible termination. pp. 24083-4

SENATE - Dec. 21

7. RIVER BASINS. Received a report of the U. S. Study Commission on the Savannah, Altamaha, Saint Marys, Apalachicola-Chattahoochee and Perdido-Escambia River Basins and intervenina areas; to Public Works Committee (S. Doc. 51). p. 24260
8. RECREATION. Sen. Jackson inserted resolutions on this subject by the Federation of Western Outdoor Clubs. pp. 24264-7
9. LEGISLATIVE ACCOMPLISHMENTS. Sen. Mansfield inserted a detailed statement on legislative accomplishments during the current session. pp. 24268-87
10. ADJOURNED until Tues., Dec. 24. p. 24287

HOUSE - Dec. 20

11. PUERTO RICO. Concurred in the Senate amendments to H. R. 5945, to establish a U.S.-P.R. Commission on the Statutes of P.R. This bill will now be sent to the President. pp. 24166-7
12. CONSERVATION. Rep. Ullman stated that "we must act now, wisely, judiciously, but positively, to preserve for the future the great land and water resources that still lie undeveloped all over America." pp. 24187-8
13. PERSONNEL. Rep. Henderson inserted the President's memorandum to department heads urging "every employee in every agency at every location in the Federal Government...to give your best to your job and your country." p. 24188
14. LEGISLATIVE ACCOMPLISHMENTS. Rep. Rooney (N.Y.) inserted an article, "What Congress Did This Session," including discussion of agricultural programs. pp. 24232-3
15. FARM PROGRAM. Rep. Cleveland complained that, due to rate differentials, feed grains are being shipped to New England's competitors in Del., Md., and Va., at lower rail rates than to New England and are a threat to New England's poultry and dairy industries. 24201

HOUSE - Dec. 21

16. FOREIGN-AID APPROPRIATIONS. Received the conference report on H.R. 9499, the foreign aid appropriation bill (H. Rept. 1087). The Rules Committee reported a resolution waiving points of order against the conference report. p. 24235
By a vote of 141 to 136, agreed to a motion by Rep. Rhodes to "recommit the conference report" on this bill, H.R. 9499, with instructions to the House conferees to insist on retention of the House provision prohibiting the Export Import Bank from extending credit to Communist countries. The conferees had

UNITED STATES DEPARTMENT OF AGRICULTURE

Conference Report on the Department of Agriculture and Related Agencies Appropriation Bill, 1964

[Note.--Amounts for 1963 include all supplemental appropriations to date, and are adjusted for comparability with the appropriation structure provided in the 1964 Conference Report.]

Agency or Item	Appropriations : and Loan : Authorizations, : 1963	Budget : Estimate, : 1964	House : Bill, : 1964	Senate : Bill, : 1964	Conference : Report, : 1964
GENERAL ACTIVITIES:					
Agricultural Research Service:	:	:	:	:	:
Salaries and expenses: <u>a/</u>	:	:	:	:	:
Research <u>b/</u>	\$88,182,550:	\$90,554,000: <u>c/</u>	\$89,095,000:	\$91,811,700:	\$91,496,700
Plant and animal disease and pest control, and meat inspection	:	:	:	:	:
Salaries and expenses (Special foreign currency program)	85,412,130:	93,650,000:	87,143,000:	95,197,750:	92,380,000
Cooperative State Experiment Station Service	5,265,000:	2,500,000:	- -	2,500,000:	1,250,000
Extension Service (principally payments to States)	38,262,950:	40,383,000:	40,383,000:	42,883,000:	41,633,000
Farmer Cooperative Service	75,344,500:	77,328,000:	77,313,000:	83,048,000:	80,180,500
Soil Conservation Service	1,155,900:	1,280,000:	1,195,000:	1,201,000:	1,201,000
Economic Research Service	193,031,250:	209,936,000:	200,361,000:	205,297,000:	202,533,000
Statistical Reporting Service	9,511,150:	10,301,000:	9,832,000:	9,965,700:	9,912,000
Agricultural Marketing Service:	10,021,850:	11,552,000:	11,079,000:	11,486,000:	11,290,500
Marketing research and service	40,897,170:	44,505,000:	<u>d/</u> 42,411,000:	44,514,100:	42,498,975
Payments to States	1,425,000:	1,425,000:	1,425,000:	1,500,000:	1,500,000
Special milk program	100,000,000:	102,000,000:	100,000,000:	100,000,000:	100,000,000
School lunch program <u>e/</u>	125,000,000:	137,000,000:	137,000,000:	137,000,000:	137,000,000
Foreign Agricultural Service:	:	:	:	:	:
Salaries and expenses <u>f/</u>	17,135,270:	19,039,000:	18,505,000:	19,039,000:	18,699,500
Salaries and expenses (Special foreign currency program)	:	- -	- -	- -	- -
Agricultural Stabilization and Conservation Service:	3,994,000:	:	:	:	:
Expenses, Agricultural Stabilization and Conservation Service <u>g/</u>	:	:	:	:	:
and Conservation Service <u>g/</u>	95,423,000:	114,944,000:	105,737,000:	107,091,400:	106,549,500

(Continued on next page)

(Continued on next page)

Agency or Item	Appropriations and Loan Authorizations, 1963	Budget Estimate, 1964	House Bill, 1964	Senate Bill, 1964	Conference Report, 1964
Agricultural Stabilization and Conservation Service - Continued					
Sugar Act program	77,653,000	80,000,000	78,000,000	78,000,000	78,000,000
Agricultural conservation program h/	212,900,000	220,000,000	215,000,000	215,000,000	215,000,000
Conservation reserve program	304,000,000	294,000,000	294,000,000	294,000,000	294,000,000
Land use adjustment (cropland conversion) program	2,000,000	19,000,000	10,000,000	12,150,000	11,350,000
Commodity Exchange Authority	1,060,950	1,095,000	1,093,000	1,095,000	1,095,000
Office of Rural Areas Development	87,850	134,000	120,000	120,000	120,000
Office of the General Counsel	3,854,600	3,987,000	3,953,000	3,987,000	3,973,500
Office of Information	1,662,220	1,684,000	1,684,000	1,684,000	1,684,000
National Agricultural Library	1,185,320	2,145,000	1,870,000	1,876,140	1,876,140
General Administration	3,389,800	3,975,000	3,735,000	3,760,550	3,750,000
Total, General Activities	1,497,852,460	1,582,417,000	1,530,934,000	1,564,207,340	1,548,973,315
CREDIT AGENCIES:					
Rural Electrification Administration:					
Loan authorizations i/	[480,000,000]	[495,000,000]	[495,000,000]	[495,000,000]	[495,000,000]
Salaries and expenses	10,442,200	11,344,000	11,162,000	11,287,000	11,247,000
Farmers Home Administration:					
Loan authorizations	1/ [340,000,000]	[360,000,000]	1/ [360,000,000]	1/ [360,000,000]	1/ [360,000,000]
Rural housing loans (borrowing authorization)	- -	- -	- -	[25,000,000] k/	25,000,000
Rural renewal	- -	2,350,000	1,000,000	1,350,000	1,200,000
Rural housing for the elderly revolving fund	1,000,000	5,000,000	2,000,000	3,500,000	3,500,000
Salaries and expenses	35,778,900	39,367,000	1/ 38,367,000	1/ 39,367,000	1/ 38,925,900
Total, Loan authorizations	[820,000,000]	[855,000,000]	[855,000,000]	[880,000,000]	[855,000,000]
Total appropriations, Credit Agencies	47,221,100	58,761,000	52,529,000	55,504,000	79,872,000

Agency or Item	:Appropriations :		: and Loan :		: Budget :		: House :		: Senate :		: Conference :	
	:Authorizations, :		: 1963 :		: Estimate, :		: Bill, :		: 1964 :		: Report, :	
						1964		1964		1964		1964
CORPORATIONS:												
Federal Crop Insurance Corporation:												
Operating and administrative expenses												
Operating expenses payable from premium:												
income	6,799,000:				7,210,000:		6,950,000:		7,210,000:		7,080,000	
Total, Federal Crop Insurance Corporation	[3,265,250]:				[3,480,000]:		[3,530,000]:		[3,480,000]:		[3,505,000]	
Commodity Credit Corporation:												
Reimbursement for net realized losses	6,799,000:				7,210,000:		6,950,000:		7,210,000:		7,080,000	
Reimbursement for costs of special milk program (1963 costs)												
Corporate administrative expense	2,278,455,000:				2,799,400,000:		2,500,000,000:		2,699,400,000:		2,699,400,000	
limitation	92,243,150:				- - -		- - -		- - -		- - -	
Total, Commodity Credit Corporation	[43,188,500]:				[41,650,000]:		[41,650,000]:		[41,650,000]:		[41,650,000]	
Total, Corporations	2,370,698,150:				2,799,400,000:		2,500,000,000:		2,699,400,000:		2,699,400,000	
	2,377,497,150:				2,806,610,000:		2,506,950,000:		2,706,610,000:		2,706,480,000	
FOREIGN ASSISTANCE PROGRAMS:												
Public Law 480:												
Sale for foreign currencies	1,588,804,000:				1,452,000,000:		1,452,000,000:		1,252,000,000:		1,452,000,000	
Emergency famine relief	250,000,000:				215,451,000:		215,451,000:		215,451,000:		215,451,000	
Long-term supply contracts	40,000,000:				79,000,000:		52,515,000:		79,000,000:		52,515,000	
Total, Public Law 480	1,878,804,000:				1,746,451,000:		1,719,966,000:		1,546,451,000:		1,719,966,000	
International Wheat Agreement	81,218,000:				92,356,000:		86,218,000:		92,356,000:		86,218,000	
Bartered materials for supplemental stockpile												
Total, Foreign assistance programs	125,000,000:				82,860,000:		82,860,000:		82,860,000:		82,860,000	
TOTAL, ABOVE ITEMS	2,085,022,000:				1,921,667,000:		1,889,044,000:		1,721,667,000:		1,889,044,000	
	6,007,592,710:				6,368,755,000:		5,979,457,000:		6,047,988,340:		6,224,370,215	

a/ In addition, a reappropriation of \$1,000,000 of prior years funds is authorized.

b/ In addition, House Bill provided a transfer of \$5,000,000 from Commodity Credit Corporation for production and other research designed to decrease the investment of CCC. Senate Bill provided a transfer of \$35,000,000 from CCC for utilization research, production, and related research, including construction. Conferees provided \$15,000,000 (Continued on next page)

for research, surveys, planning and construction of facilities.

- c/ Excludes \$5,350,000 included by the House for marketing research and construction of facilities. Budget Estimates, Senate Bill, and Conference report provided these funds for the Agricultural Marketing Service.
- d/ Includes \$5,350,000 for marketing research and construction of facilities included by the House under ARS, Research.
- e/ In addition, a transfer of \$45,000,000 is provided from Section 32 funds for the purchase of agricultural commodities for distribution to schools.
- f/ In addition, a transfer of \$3,117,000 from Section 32 funds is provided.
- g/ In addition, transfers from Commodity Credit Corporation are provided as follows: 1963, \$81,379,500; 1964, \$94,885,000.
- h/ 1963 Appropriation Act, 1964 House and Senate bills and Conference report provide an advance authorization of \$250 million. Budget estimate proposed \$150 million.
- i/ Includes reserve authorizations as follows: 1963, \$100 million; 1964 budget, \$75 million; 1964 House and Senate bills and Conference report, \$150 million.
- j/ Includes \$50 million reserve authorization.
- k/ Provided as direct appropriation rather than borrowing authorization.
- l/ In addition, \$500,000 of other funds available to the Farmers Home Administration may be transferred from temporary field employment.

Note.

House provided for transfer of \$25 million from Section 32 funds to Commodity Credit Corporation to be used to increase domestic consumption of any farm commodity or farm commodities determined by the Secretary of Agriculture to be in surplus supply and hereafter such sums as may be approved by the Congress shall be available for such purpose. Senate deleted House language. Conferees agreed to transfer of \$16,000,000 to be used to increase domestic consumption of any farm commodity or farm commodities determined by the Secretary of Agriculture to be in surplus supply, and hereafter such sums (not in excess of \$25,000,000 in any one year) as may be approved by the Congress shall be available for such purpose, such authorization not to restrict authority in existing law, of which amount \$11,000,000 shall remain available until expended for construction and equipping of research facilities determined to be needed as a result of a special survey.

DEPARTMENT OF AGRICULTURE AND RELATED
AGENCIES

DECEMBER 21 (legislative day, DECEMBER 20), 1963.—Ordered to be printed

MR. WHITTEN, from the committee of conference, submitted the
following

CONFERENCE REPORT

[To accompany H.R. 6754]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6754) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 32, 45, 46, and 47.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 4, 6, 17, 25, 29, 31, 35, 40, and 44, and agree to the same.

Amendment numbered 2:

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert *three*; and the Senate agree to the same.

Amendment numbered 3:

That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$45,000; and the Senate agree to the same.

Amendment numbered 5:

That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$91,496,700; and the Senate agree to the same.

Amendment numbered 8:

That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$64,449,000; and the Senate agree to the same.

Amendment numbered 10:

That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$27,931,000; and the Senate agree to the same.

Amendment numbered 12:

That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$39,363,000, and the Senate agree to the same.

Amendment numbered 13:

That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$41,633,000; and the Senate agree to the same.

Amendment numbered 14:

That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$65,725,000; and the Senate agree to the same.

Amendment numbered 15:

That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$67,295,000; and the Senate agree to the same.

Amendment numbered 16:

That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$7,272,500; and the Senate agree to the same.

Amendment numbered 18:

That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$98,339,000; and the Senate agree to the same.

Amendment numbered 19:

That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$63,607,000; and the Senate agree to the same.

Amendment numbered 20:

That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$13,622,000; and the Senate agree to the same.

Amendment numbered 21:

That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$1,500,000; and the Senate agree to the same.

Amendment numbered 22:

That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$9,912,000; and the Senate agree to the same.

Amendment numbered 23:

That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$11,290,500; and the Senate agree to the same.

Amendment numbered 26:

That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$45,000,000; and the Senate agree to the same.

Amendment numbered 28:

That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$18,699,500; and the Senate agree to the same.

Amendment numbered 30:

That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *\$106,549,500*; and the Senate agree to the same.

Amendment numbered 33:

That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *\$11,350,000*; and the Senate agree to the same.

Amendment numbered 34:

That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *\$3,973,500*; and the Senate agree to the same.

Amendment numbered 36:

That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *\$3,750,000*; and the Senate agree to the same.

Amendment numbered 37:

That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *\$11,247,000*; and the Senate agree to the same.

Amendment numbered 39:

That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *\$1,200,000*; and the Senate agree to the same.

Amendment numbered 41:

That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *\$38,925,900*; and the Senate agree to the same.

Amendment numbered 42:

That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *\$7,080,000*; and the Senate agree to the same.

Amendment numbered 43:

That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$3,505,000; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 7, 9, 11, 24, 27, and 38.

JAMIE L. WHITTEN,
WILLIAM H. NATCHER,
CLARENCE CANNON,
WALT HORAN,
ROBERT H. MICHEL

(except as to amendment No.
37),

Managers on the part of the House.

SPESSARD L. HOLLAND,
RICHARD B. RUSSELL,
ALLEN J. ELLENDER,
MILTON R. YOUNG,
KARL E. MUNDT,

Managers on the part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6754) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

DEPARTMENT OF AGRICULTURE

AGRICULTURAL RESEARCH SERVICE

Amendment Nos. 1 and 4.—*Salaries and expenses*: Eliminate House language providing for marketing research as proposed by the Senate. The conferees agree that quality research could be appropriately conducted under the Agricultural Research Service as indicated by the Department.

Amendment Nos. 2 and 3.—*Salaries and expenses*: Authorize construction or improvement of three buildings at \$45,000 each in lieu of five at \$40,000 as proposed by the House and two at \$50,000 as proposed by the Senate.

Amendment No. 5.—*Research*: Appropriates \$91,496,700 instead of \$94,045,000 as proposed by the House and \$91,811,700 as proposed by the Senate. The final amount is \$315,000 below the Senate recommendation and is a net reduction of \$2,548,300 below the House bill.

The appropriation proposed includes increases above the House bill as follows: additional pay act costs, \$563,000; staffing and operating farm research laboratories already in operation where the need is greatest, \$100,000; animal parasite research, \$50,000; watershed hydrology research, \$100,000; equipping (\$400,000) and staffing (\$280,000) of Fargo, N. Dak. laboratory; research on varietal decline of sugar cane, \$100,000; research on harvesting sugar cane, \$100,000; research on nosema disease in bees, \$37,500; soybean production research, \$100,000; sugarbeet production research, \$125,000; research on corn, \$25,000; staffing of Sydney, Mont., laboratory, \$12,500; soil and water conservation research at East Franklin and Sleepers River, \$25,000; research on cold hardiness (\$75,000) and harvesting aids (\$25,000) for citrus; bee research, Laramie, Wyo., \$12,500; horticultural research, Cheyenne, Wyo., \$37,500; strawberry research in Oregon, \$12,500; safflower research, \$12,500; research on dried peas and lentils, \$6,200; improve road, Newell, S. Dak, \$15,000; research on control of marshland mosquitoes, \$100,000; research on cereal leaf beetle, \$50,000; tobacco research, \$25,000; research on harvesting aids for Kona coffee, \$12,500.

These increases are more than offset by the transfer of \$4,950,000 contained in the House bill for marketing research to the Agricultural Marketing Service appropriations.

The amount recommended also includes the following funds for items approved by the House and stricken by the Senate: peanut quality research at New Orleans, \$200,000; research at existing facilities as follows: Flue-cured tobacco in North Carolina, \$200,000; burley and dark tobacco, \$200,000; wheat and wheat products, \$200,000; cotton \$200,000; and corn and other grains, \$200,000.

Amendment No. 6.—*Research*: Eliminates House language providing funds for a Peanut Research Laboratory in Georgia. This item has been removed from this bill without prejudice. The managers on the part of the House agree to include an appropriation for this purpose in the amount of \$600,000 in the first supplemental appropriation bill for the coming year or the next regular appropriation bill for the Department of Agriculture, whichever provides the first opportunity for action by Congress.

Amendment No. 7.—*Research*: Reported in disagreement. The managers on the part of the House will offer a motion to provide \$15 million for research, surveys, planning and construction of facilities as follows:

Expanded utilization research.....	\$5, 000, 000
Additional construction, including conversion of pilot plant, at Peoria Laboratory.....	4, 500, 000
Construction, alteration and equipment for the New Orleans, Albany, and Wyndmoor Laboratories, \$1,500,000 each.....	4, 500, 000
Enlarging and modernizing existing research facilities, \$250,000 each for Weslaco Fruit and Vegetable Laboratory, Olustee Naval Stores Laboratory, and Stoneville Ginning Laboratory.....	750, 000
Survey, determination of need, and planning of additional research facilities as may be required for utilization research in the Southeast, and weed control research, not to exceed.....	250, 000
Total.....	15, 000, 000

Amendment No. 8.—*Plant and animal disease and pest control*: Appropriates \$64,449,000 instead of \$59,505,000 as proposed by the House and \$67,071,500 as proposed by the Senate. The increase includes \$395,000 for additional pay costs; \$2,750,000 for screwworm eradication; \$200,000 for plant quarantine inspection; \$600,000 for eradicating hog cholera; \$74,000 for pesticide regulation; and \$500,000 for eradication of fire-ant.

In addition, \$125,000 is provided to evaluate the efficiency of plant pest control programs and to test the effect of residues on nontarget organisms such as people and wildlife. This will enable the Department to undertake activities recommended by the President's Science Advisory Committee in its report "The Use of Pesticides." In this connection, the Department is directed to work in close cooperation with officials of other agencies in the conduct of joint programs and to take such steps as are necessary to carry out its assigned role in this very important area. The Conferees recommend further that a high-level commission or board be established to evaluate and make final determinations as to the use of pesticides for pest control purposes. The Department of Agriculture should be adequately represented on such a board.

Also, \$300,000 is provided for eradication of sheep scabies. This amount, to be matched from local sources, is to be used for the purposes for which appropriated. Also, the Department is to explore the feasibility of dipping sheep moved in interstate commerce as a control measure and to prevent reinfestation.

The general reduction of \$750,000 is to be applied to the several programs financed under this appropriation item, including the increases discussed above.

Amendment No. 9.—*Plant and animal disease and pest control*: Reported in disagreement. The managers on the part of the House will offer a motion to concur in the Senate amendment requiring 50 percent matching of funds used for screwworm eradication. The Conferees have agreed to the Senate language with the understanding that State and local sources will be given full credit for all funds heretofore and hereafter contributed to the program.

Amendment No. 10.—*Meat inspection*: Appropriates \$27,931,000 instead of \$27,638,000 as proposed by the House and \$28,126,250 as proposed by the Senate.

Amendment No. 11.—*Salaries and expenses (Special Foreign Currency Program)*: Reported in disagreement. The managers on the part of the House will offer a motion to concur in the Senate amendment, the amount of the appropriation to be \$1,250,000 instead of \$2,500,000 as proposed by the Senate.

COOPERATIVE STATE EXPERIMENT STATION SERVICE

Amendment Nos. 12 and 13.—*Payments and expenses*: Appropriates \$41,633,000 instead of \$40,383,000 as proposed by the House and \$42,883,000 as proposed by the Senate. It is the intent of the Conferees to provide for the Federal share of salary increases for the balance of the fiscal year. In addition to the regular work of the land-grant colleges, the Conferees recognize that research for other Federal agencies is also an important contribution of these institutions. They concur in the statements of the two Houses which request reports on research contracts and grants entered into beginning with fiscal year 1964.

EXTENSION SERVICE

Amendment Nos. 14 and 15.—*Payments to States and Puerto Rico*: Appropriate \$67,295,000 instead of \$64,590,000 as proposed by the House and \$70,000,000 as proposed by the Senate.

Amendment No. 16.—*Retirement costs for extension agents*: Appropriates \$7,272,500 instead of \$7,110,000 as proposed by the House and \$7,435,000 as proposed by the Senate.

FARMER COOPERATIVE SERVICE

Amendment No. 17.—*Salaries and expenses*: Appropriates \$1,201,000 as proposed by the Senate instead of \$1,195,000 as proposed by the House.

SOIL CONSERVATION SERVICE

Amendment No. 18.—*Conservation operations*: Appropriates \$98,339,000 instead of \$97,480,000 as proposed by the House and \$99,000,000 as proposed by the Senate. The increase includes \$839,000 for additional pay increases. The conferees direct that soil survey reports be published within the amount of funds provided, exclusive of the \$20,000 additional which shall be available to strengthen existing facilities.

Amendment No. 19.—*Watershed protection*: Appropriates \$63,607,000 instead of \$63,222,000 as proposed by the House and \$63,992,000 as proposed by the Senate. The amount agreed to includes \$5,446,000 for planning of new watersheds. The conferees have agreed that States should be encouraged to contribute as much as possible for this activity, regardless of Federal appropriations.

The conferees concur in the Senate language calling on the Bureau of the Budget to give fuller review and coordination to river basin surveys. They are also concerned about the declining local share of the cost of constructing watershed projects and urge Department officials to require more adequate local contributions, more in line with the intent of the original act.

Amendment No. 20.—*Great Plains Conservation Program*: Appropriates \$13,622,000 instead of \$12,994,000 as proposed by the House and \$14,640,000 as proposed by the Senate. Of the increase, \$28,000 is included for additional pay costs and \$600,000 is included for cost sharing assistance.

Amendment No. 21.—*Resource conservation and development*: Appropriates \$1,500,000 instead of \$1,200,000 as proposed by the House and \$2,200,000 as proposed by the Senate. The conferees are in agreement that the appropriate committees of Congress should be kept advised of each proposed activity under this program in advance of commitment.

ECONOMIC RESEARCH SERVICE

Amendment No. 22.—*Salaries and expenses*: Appropriates \$9,912,000 instead of \$9,832,000 as proposed by the House and \$9,965,700 as proposed by the Senate.

STATISTICAL REPORTING SERVICE

Amendment No. 23.—*Salaries and expenses*: Appropriates \$11,290,500 instead of \$11,079,000 as proposed by the House and \$11,486,000 as proposed by the Senate. The increase includes \$49,000 for additional pay costs, \$100,000 to extend the long-range program, and \$62,500 for additional cattle-on-feed reports for the balance of the fiscal year. Additional requirements for cattle-on-feed reports will be considered in connection with the 1965 budget. Adequate funds have been provided to enable the Department to continue all reports now being furnished.

Amendment No. 24.—*Marketing research and service*: Reported in disagreement. The managers on the part of the House will offer a motion to appropriate \$42,498,975 instead of \$37,061,000 as proposed by the House and \$44,514,100 as proposed by the Senate. The increase above the House bill includes \$4,985,675 for marketing research; \$50,000 for quality research on field packed lettuce and citrus; \$333,000 for additional marketing service pay costs; \$50,000 for poultry inspection; \$11,800 for reimbursement to employee's compensation fund; and \$7,500 for a cooperative market news service in Louisiana.

The Department is requested to make a full study of the possible use of State inspection organizations to hold down the cost as well as to prevent duplication of poultry inspection.

Amendment No. 25.—*Payments to States and possessions*: Appropriates \$1,500,000 as proposed by the Senate instead of \$1,425,000 as proposed by the House.

School lunch program: For the first time, funds for cash payments and section 6 commodity purchases are based on a rate of 5 cents per meal on the average for the number of meals expected to be served during the school year. In addition, \$2,070,000 has been included for administrative purposes.

Amendment No. 26.—*Section 32:* Authorizes the use of \$45 million for the food stamp program instead of \$40 million as proposed by the House and \$51,500,000 as proposed by the Senate.

Amendment No. 27.—*Section 32:* Reported in disagreement. The managers on the part of the House will offer a motion to provide \$16 million instead of \$25 million as provided in the House bill. Of this amount, \$11 million shall remain available for construction and equipping of research facilities determined to be needed, including \$9,500,000 for a utilization research laboratory in the Southeast and \$1,500,000 for a weed control research laboratory. It is agreed that any new utilization laboratory shall not be used for quality research on peanuts.

FOREIGN AGRICULTURAL SERVICE

Amendment No. 28.—*Salaries and expenses:* Appropriates \$18,699,500 instead of \$18,505,000 as proposed by the House and \$19,039,000 as proposed by the Senate. The increase includes \$41,000 for additional pay costs; \$58,000 for international agricultural affairs; \$14,000 for export programs; and \$81,500 for commodity programs. The conferees request the Department to more closely supervise the use of market development funds for travel and other purposes.

COMMODITY EXCHANGE AUTHORITY

Amendment No. 29.—*Salaries and expenses:* Appropriates \$1,095,000 as proposed by the Senate instead of \$1,093,000 as proposed by the House.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

Amendment No. 30.—*Expenses:* Appropriates \$106,549,500 instead of \$105,737,000 as proposed by the House and \$107,091,400 as proposed by the Senate.

Amendment No. 31.—*Expenses:* Approves language proposed by the Senate to restrict the use of funds for employees and committeemen for certain purposes.

Amendment No. 32.—*Agricultural conservation program:* Restores House language restricting use of funds for drainage of wetlands. In view of the action of the conferees, they instruct the Departments of Agriculture and Interior to expedite the implementation of action on types 1 and 2 where necessary to permit desirable drainage to proceed without unnecessary delay.

Amendment No. 33.—*Land-Use Adjustment Program:* Appropriates \$11,350,000 instead of \$10 million as proposed by the House and \$12,150,000 as proposed by the Senate. The conferees are agreed that, in the absence of legislation expanding the pilot program for 1964, expenditures in fiscal year 1964 will be held to the 1963 level of operation and financed through direct appropriation.

OFFICE OF THE GENERAL COUNSEL

Amendment No. 34.—*Salaries and expenses*: Appropriates \$3,973,500 instead of \$3,953,000 as proposed by the House and \$3,987,000 as proposed by the Senate.

NATIONAL AGRICULTURAL LIBRARY

Amendment No. 35.—*Salaries and expenses*: Appropriates \$1,426,140 as proposed by the Senate instead of \$1,420,000 as proposed by the House.

GENERAL ADMINISTRATION

Amendment No. 36.—*Salaries and expenses*: Appropriates \$3,750,000 instead of \$3,735,000 as proposed by the House and \$3,760,550 as proposed by the Senate.

The conferees are in agreement that, beginning with fiscal 1965, separate budget requests for the Office of Inspector General and for the Office of Management Services shall be submitted to the appropriations committees and justified separately, and corresponding reductions shall be made in agencies from which transfers are made. For fiscal 1964, the expenditures of the Office of Inspector General shall not exceed \$9,883,000 and for the Office of Management Services shall not exceed \$2,314,000. In addition thereto, increased costs in fiscal 1964 resulting from the pay act shall be held to the same level as pay act increases for the agencies from which these offices have transferred funds in fiscal 1964.

RURAL ELECTRIFICATION ADMINISTRATION

Amendment No. 37.—*Salaries and expenses*: Appropriates \$11,247,000 instead of \$11,162,000 as proposed by the House and \$11,287,000 as proposed by the Senate. Regulations, including changes, to carry out provisions in the reports of the House and Senate Committees shall be printed in the Federal Register within 90 days of enactment of this Act.

The managers on the part of the House disagree with the statements in the Senate report on pages 28 and 29 which require the Administrator (1) to certify to the Comptroller General and the Congress and (2) to give notice of applications to the committees 60 days in advance of approval. They agree that any REA Cooperative which is an applicant for a generation or transmission loan shall be made a party to any subsequent negotiations between the Administrator and the power supplier on contract arrangements.

Amendment No. 38.—*Rural housing loans*: Reported in disagreement. The managers on the part of the House will offer a motion to appropriate \$25 million for rural housing loans instead of providing it as additional borrowing authority as proposed by the Senate.

Amendment No. 39.—*Rural renewal*: Appropriates \$1,200,000 instead of \$1 million as proposed by the House and \$1,350,000 as proposed by the Senate.

Amendment No. 40.—*Rural housing for the elderly revolving fund*: Appropriates \$3,500,000 as proposed by the Senate instead of \$2 million as proposed by the House.

Amendment No. 41.—*Salaries and expenses*: Appropriates \$38,925,900 instead of \$38,367,000 as proposed by the House and \$39,367,000 as proposed by the Senate. The increase provides \$339,500 for additional pay costs; \$205,000 for administration of loan programs; and \$14,400 to reimburse employees compensation fund.

FEDERAL CROP INSURANCE CORPORATION

Amendment No. 42.—*Administrative and operating expenses*: Appropriates \$7,080,000 instead of \$6,950,000 as proposed by the House and \$7,210,000 as proposed by the Senate.

Amendment No. 43.—*Federal Crop Insurance Corporation fund*: Provides for the use of \$3,505,000 of premium income for administrative and operating expenses instead of \$3,530,000 as proposed by the House and \$3,480,000 as proposed by the Senate.

COMMODITY CREDIT CORPORATION

Amendment No. 44.—*Reimbursement for net realized losses*: Appropriates \$2,699,400,000 as proposed by the Senate instead of \$2,500 million as proposed by the House.

FOREIGN ASSISTANCE PROGRAMS

Amendment Nos. 45 and 46.—*Public Law 480*: Appropriate \$1,452 million for title I sales and \$52,515,000 for title IV contracts as proposed by the House instead of \$1,252 million for title I and \$79 million for title IV as proposed by the Senate.

Amendment No. 47.—*International Wheat Agreement*: Appropriates \$86,218,000 as proposed by the House instead of \$92,356,000 as proposed by the Senate.

JAMIE L. WHITTEN,
WILLIAM H. NATCHER,
CLARENCE CANNON,
WALT HORAN,
ROBERT H. MICHEL

(except as to amendment No.
37),

Managers on the Part of the House.



McFall	Pike	Staggers
Madden	Pilcher	Steed
Mahon	Poage	Stratton
Matsunaga	Pool	Stubblefield
Matthews	Price	Thomas
Miller	Pucinski	Thompson, N.J.
Minish	Rhodes, Pa.	Toll
Morgan	Rivers, Alaska	Tuten
Morrison	Rodino	Udall
Murphy, N.I.	Rooney, N.Y.	Ullman
Natcher	Roosevelt	Van Deerlin
Nix	Rosenthal	Vanik
O'Brien, N.Y.	Roush	Weltner
O'Hara, Ill.	Roybal	White
O'Hara, Mich.	Ryan, N.Y.	Whitener
Olsen, Mont.	St. Germain	Wickersham
Olson, Minn.	St. Onge	Wilson
O'Neill	Sennet	Charles H.
Passman	Sheppard	Wright
Patten	Sickles	Young
Pepper	Smith, Iowa	Zablocki
Perkins	Staebler	

ANSWERED "PRESENT"—3

Mathias	Morse	Tupper
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NOT VOTING—153

Abbitt	Gray	Murphy, N.Y.
Abernethy	Green, Pa.	Murray
Adair	Griffiths	Nedzi
Andrews,	Gubser	Nelsen
N. Dak.	Hall	O'Brien, Ill.
Auchincloss	Harris	Osmers
Baker	Harrison	Ostertag
Baring	Harvey, Ind.	Patman
Barrett	Hawkins	Philbin
Bass	Hays	Powell
Becker	Hébert	Purcell
Belcher	Herlong	Quillen
Bolling	Hoeven	Rains
Bray	Hoffman	Randall
Brown, Calif.	Holifield	Reuss
Brown, Ohio	Hull	Riehlman
Buckley	Hutchinson	Roberts, Ala.
Burke	Ichord	Roberts, Tex.
Burkhalter	Johnson, Calif.	Rogers, Colo.
Cahill	Jones, Ala.	Rogers, Tex.
Cannon	Jones, Mo.	Rooney, Pa.
Carey	Kastenmeier	Rostenkowski
Casey	Kee	Ryan, Mich.
Cederberg	Kelly	St. George
Celler	Keogh	Scott
Clancy	Kilburn	Shelley
Clark	King, N.Y.	Shipley
Clawson, Del.	Kluczynski	Short
Colmer	Kornegay	Sikes
Curtis	Kunkel	Siler
Dague	Kyl	Sisk
Davis, Tenn.	Landrum	Slack
Dawson	Leggett	Stephens
Derounian	Lennon	Sullivan
Devine	Lesinski	Talcott
Diggs	Lloyd	Teague
Donohue	McCulloch	Teague, Calif.
Dwyer	McDowell	Teague, Tex.
Ellsworth	McIntire	Thompson, La.
Evins	McLoskey	Thompson, Tex.
Fascell	Macdonald	Tollefson
Fino	Mailliard	Trimble
Flynt	Martin, Mass.	Van Pelt
Foreman	Martin, Nebr.	Vinson
Forrester	Miller, Calif.	Watts
Fulton, Pa.	Milliken	Wharton
Fulton, Tenn.	Monagan	Whitten
Fuqua	Montoya	Willis
Gibbons	Moorhead	Wylder
Glenn	Morris	Younger
Goodell	Moss	
Grant	Multer	

So the motion to recommit was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Van Pelt for, with Mr. Tupper against.
 Mr. Morse for, with Mr. Derounian against.
 Mr. McCulloch for, with Mr. Mathias against.
 Mr. Becker for, with Mr. Keogh against.
 Mr. McLoskey for, with Mr. Hébert against.
 Mr. Quillen for, with Mr. Philbin against.
 Mr. Glenn for, with Mr. Donohue against.
 Mr. Bray for, with Mr. Nedzi against.
 Mr. Kilburn for, with Mr. Martin of Massachusetts against.
 Mr. Kornegay for, with Mr. Multer against.
 Mr. Scott for, with Mr. Ryan of Michigan against.

Mr. Whitten for, with Mr. Gray against.
 Mr. Abernethy for, with Mr. Murphy of New York against.

Mr. Colmer for, with Mr. Miller of California against.

Mr. Lennon for, with Mr. Clark against.

Mr. Talcott for, with Mr. Moss against.

Mr. Auchincloss for, with Mr. Celler against.

Mr. Hoeven for, with Mr. Burke against.

Mr. Harvey of Indiana for, with Mr. Barrett against.

Mr. McIntire for, with Mr. Johnson of California against.

Mr. Younger for, with Mr. Trimble against.

Mr. Wylder for, with Mrs. Sullivan against.

Mrs. Dwyer for, with Mr. Macdonald against.

Mr. Clancy for, with Mr. Randall against.

Mr. Osmers for, with Mr. Shipley against.

Mrs. St. George for, with Mr. Rostenkowski against.

Mr. Cederberg for, with Mrs. Griffiths against.

Mr. Brown of Ohio, for, with Mr. Patman against.

Mr. Del Clawson for, with Mr. Carey against.

Mr. Andrews of North Dakota for, with Mr. Burkhalter against.

Mr. Baker for, with Mr. Lesinski against.

Mr. Tollefson for, with Mr. McDowell against.

Mr. Riehlman for, with Mr. Monagan against.

Mr. King of New York for, with Mr. Montoya against.

Mr. Ellsworth for, with Mr. Moorhead against.

Mr. Short for, with Mr. Bass against.

Mr. Cahill for, with Mr. Davis of Tennessee against.

Mr. Adair for, with Mr. Dawson against.

Mr. Curtis for, with Mr. Powell against.

Mr. Devine for, with Mr. Fascell against.

Mr. Fino for, with Mr. Fulton of Tennessee against.

Mr. Goodell for, with Mr. Harris against.

Mr. Teague of California for, with Mr. Hays against.

Mr. Ostertag for, with Mr. Holifield against.

Mr. Martin of Nebraska for, with Mr. Reuss against.

Mr. Hoffman for, with Mr. Diggs against.

Mr. Harrison for, with Mr. Rogers of Colorado against.

Mr. Foreman for, with Mr. O'Brien of Illinois against.

Mr. Siler for, with Mr. Leggett against.

Mr. Hull for, with Mr. Watts against.

Mr. Baring for, with Mr. Buckley against.

Mr. Gubser for, with Mr. Brown of California against.

Mr. Taylor for, with Mr. Shelley against.

Mr. Hall for, with Mr. Sisk against.

Mr. Nelsen for, with Mr. Slack against.

Mr. Fuqua for, with Mr. Rooney of Pennsylvania against.

Mr. Dague for, with Mr. Vinson against.

Mr. Hutchinson for, with Mrs. Kelly against.

Mr. Kyl for, with Mr. Kluczynski against.

Mr. Kunkel for, with Mr. Flynt against.

Mr. Herlong for, with Mr. Hawkins against.

Mr. Rogers of Texas for, with Mr. Kastenmeier against.

Mr. Stephens for, with Mr. Jones of Alabama against.

Mr. Teague of Texas for, with Mrs. Kee against.

Mr. Sikes for, with Mr. Murray against.

Until further notice:

Mr. Evins with Mr. Forrester.

Mr. Thompson of Texas with Mr. Willis.

Mr. Abbitt with Mr. Thompson of Louisiana.

Mr. Gibbons with Mr. Roberts of Texas.

Mr. Ichord with Mr. Grant.

Mr. Rains with Mr. Purcell.

Mr. MORSE. Mr. Speaker, I have a live pair with the gentleman from New York, Mr. DEROUNIAN. If he were present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

Mr. TUPPER. Mr. Speaker, I have a live pair with the gentleman from Wisconsin, Mr. VAN PELT. If he were present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

Mr. MATHIAS. Mr. Speaker, I have a live pair with the gentleman from Ohio, Mr. MCCULLOCH. If he were present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

SUPPLEMENTAL APPROPRIATIONS FOR CERTAIN ACTIVITIES OF THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table House Joint Resolution 875, making supplemental appropriations for certain activities of the Department of Health, Education, and Welfare, with a Senate amendment thereto, and agree to the Senate amendment.

The Clerk read the title of the joint resolution.

The Clerk read the Senate amendment, as follows:

Page 4, after line 15, insert:

"OFFICE OF EDUCATION

"Payments to school districts

"For an additional amount for 'payments to school districts', \$216,204,000."

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

Mr. LAIRD. Reserving the right to object, Mr. Speaker, on Thursday of this week the House passed a supplemental appropriation bill containing some \$42 million to carry on the new comprehensive program to combat mental retardation which was authorized in two acts passed by the House and agreed to by the Senate this year. This supplemental appropriation bill was limited to funding the mental retardation program so that this program could be effective immediately.

The Senate in considering this yesterday added \$216 million, for schools in federally impacted areas, for which no budget request was submitted by the President of the United States. On yesterday—Friday, December 20, CONGRESSIONAL RECORD, page 24201—I made a statement here on the floor of the House urging the President of the United States to submit a budget request for the impacted areas program under Public Law 874, and also funds for the National Defense Education Act student loan program. I also called the White House urging that the President sign a letter transmitting these two funding requests. These programs were both signed into law by President Johnson with a great deal of fanfare and publicity. Many people gained the impression he strongly

avored these programs, but no budget request has been submitted by him so that they can be carried out. This is a strange situation.

I had a conversation yesterday with the Director of the Bureau of the Budget. He advised me that both of these requests had been forwarded to the White House and awaited the President's signature.

Also I was interested in reading what a Member of the other body had to say in a hearing on last Wednesday on this subject. He said:

I thought that by all means this item should come in this particular bill and we could wait very properly for the facilities under Public Law 815 which also was extended for 2 years. I think I was stating the attitude of all four of the Senators who had discussed this matter this morning.

I also stated, Mr. Chairman, that I had talked yesterday on behalf of all of us to the Budget Bureau and to the White House and found that the Budget Bureau had completed its work on this matter and that their recommendation was on the White House desk for action if the President saw fit to take action immediately upon the signing of the authorization bill which was also on his desk and scheduled for signature this morning.

As of this hour the President has not requested any funds for the National Defense Education Act student loan program, nor has he requested funding for assistance to schools in federally impacted areas.

It seems to me that in view of the fact that the Chief Executive has rejected the Bureau of the Budget proposal for funding at this time we should not agree to the Senate amendment until we at least know his reasons for not requesting funds. So far as I know he has not even indicated why he is opposed to the requests of the Department of Health, Education, and Welfare which have the support of the Bureau of the Budget. To me this inaction is just incomprehensible.

It seems to me that if we agree to the program for assistance to schools in impacted areas now without the funding for the student loan program, it would be months before the funding for the student loan program would be made available. The funding for the student loan program is most important because there are many thousands of students that will be awaiting and needing these funds early in January. It seems to me the White House has made a grave error in not signing the letter of transmittal requested by the Bureau of the Budget and the Department of HEW. In view of this, I must object to the request at this time in hopes that such a letter of transmittal will be received from the President before this Congress adjourns.

The SPEAKER. Objection is heard.

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent to take from the Speakers' table House Joint Resolution 875, making supplemental appropriations for certain activities of the Department of Health, Education, and Welfare, with a Senate amendment thereto, disagree to the Senate amendment, and request a conference with the Senate.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

Mr. LAIRD. Reserving the right to object, Mr. Speaker, I raise the same objection to this request. The letter of transmittal with regard to the funds for the student loan program and assistance to schools in federally impacted areas has not been received from the President. It seems to me that before we adjourn this Congress we should insist that that letter of transmittal on the student loan program be submitted by the President of the United States. The student loan program is the most pressing funding need facing educational programs. Going to conference without such a funding request would be a grave error. Therefore, I will object to going to conference until the request of the President can be presented and considered by the conference committee. This is our last chance to secure funds for the student loan program. I direct attention of the House to my remarks of yesterday—CONGRESSIONAL RECORD, page 24201.

Mr. Speaker, under these circumstances I must object to going to conference at this time.

The SPEAKER. Objection is heard.

Mr. LAIRD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the joint resolution—House Joint Resolution 875—making supplemental appropriations for certain activities of the Department of Health, Education, and Welfare, with an amendment of the Senate thereto, and disagree to the amendment of the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

PARLIAMENTARY INQUIRY

Mr. HALLECK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state the parliamentary inquiry.

Mr. HALLECK. Mr. Speaker, was a motion to reconsider the vote just taken on the motion to recommit tabled?

The SPEAKER. The Chair thanks the gentleman.

A motion to reconsider the vote by which action was taken on the motion to recommit the conference report on H.R. 9499 making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1964, and for other purposes, was laid on the table.

CONFERENCE REPORT ON APPROPRIATIONS FOR DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES, FISCAL YEAR 1964

Mr. WHITTEN submitted the following conference report and statement on the bill (H.R. 6754), an act making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, and for other purposes which was ordered printed:

CONFERENCE REPORT (H. REPT. NO. 1088)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6754) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 32, 45, 46, and 47.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 4, 6, 17, 25, 29, 31, 35, 40, and 44, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert "three"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$45,000"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$91,496,700"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$64,449,000"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$27,931,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$39,363,000"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$41,633,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$65,725,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$67,295,000"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$7,272,500"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amend-

ment of the Senate numbered 18, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$98,339,000"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$63,607,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$13,622,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$1,500,000"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$9,912,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$11,290,500"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$45,000,000"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$18,699,500"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$106,549,500"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$11,350,000"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$3,973,500"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$3,750,000"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$11,247,000"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$1,200,000"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$38,925,900"; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$7,080,000"; and the Senate agree to the same.

Amendment numbered 43: That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$3,505,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 7, 9, 11, 24, 27, and 38.

JAMIE L. WHITTEN,
WILLIAM H. NATCHER,
CLARENCE CANNON,
WALT HORAN,
ROBERT H. MICHEL
(except as to amendment No. 37),
Managers on the Part of the House.

SPESSARD L. HOLLAND,
RICHARD B. RUSSELL,
ALLEN J. ELLENDER,
MILTON R. YOUNG,
KARL E. MUNDT,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6754) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

DEPARTMENT OF AGRICULTURE Agricultural Research Service

Amendment Nos. 1 and 4.—Salaries and expenses: Eliminate House language providing for marketing research as proposed by the Senate. The conferees agree that quality research could be appropriately conducted under the Agricultural Research Service as indicated by the Department.

Amendment Nos. 2 and 3.—Salaries and expenses: Authorize construction or improvement of three buildings at \$45,000 each in lieu of five at \$40,000 as proposed by the House and two at \$50,000 as proposed by the Senate.

Amendment No. 5.—Research: Appropriates \$91,496,700 instead of \$94,045,000 as proposed by the House and \$91,811,700 as proposed by the Senate. The final amount is \$315,000 below the Senate recommendation and is a net reduction of \$2,548,300 below the House bill.

The appropriation proposed includes increases above the House bill as follows: additional pay act costs, \$563,000; staffing and operating farm research laboratories already in operation where the need is greatest, \$100,000; animal parasite research, \$50,000; watershed hydrology research, \$100,000;

equipping (\$400,000) and staffing (\$280,000) of Fargo, N. Dak. laboratory; research on varietal decline of sugar cane, \$100,000; research on harvesting sugar cane, \$100,000; research on nosema disease in bees, \$37,500; soybean production research, \$100,000; sugarbeet production research, \$125,000; research on corn, \$25,000; staffing of Sydney, Mont., laboratory, \$12,500; soil and water conservation research at East Franklin and Sleepers River, \$25,000; research on cold hardiness (\$75,000) and harvesting aids (\$25,000) for citrus; bee research, Laramie, Wyo., \$12,500; horticultural research, Cheyenne, Wyo., \$37,500; strawberry research in Oregon, \$12,500; safflower research, \$12,500; research on dried peas and lentils, \$6,200; improve road, Newell, S. Dak., \$15,000; research on control of marshland mosquitoes, \$100,000; research on cereal leaf beetle, \$50,000; tobacco research, \$25,000; research on harvesting aids for Kona coffee, \$12,500.

These increases are more than offset by the transfer of \$4,950,000 contained in the House bill for marketing research to the Agricultural Marketing Service appropriations.

The amount recommended also includes the following funds for items approved by the House and stricken by the Senate: peanut quality research at New Orleans, \$200,000; research at existing facilities as follows: Flue-cured tobacco in North Carolina, \$200,000; burley and dark tobacco, \$200,000; wheat and wheat products, \$200,000; cotton \$200,000; and corn and other grains, \$200,000.

Amendment No. 6.—Research: Eliminates House language providing funds for a Peanut Research Laboratory in Georgia. This item has been removed from this bill without prejudice. The managers on the part of the House agree to include an appropriation for this purpose in the amount of \$600,000 in the first supplemental appropriation bill for the coming year or the next regular appropriation bill for the Department of Agriculture, whichever provides the first opportunity for action by Congress.

Amendment No. 7.—Research: Reported in disagreement. The managers on the part of the House will offer a motion to provide \$15 million for research, surveys, planning and construction of facilities as follows:

Expanded utilization research....	\$5,000,000
Additional construction, including conversion of pilot plant, at Peoria Laboratory.....	4,500,000
Construction, alteration and equipment for the New Orleans, Albany, and Wyndmoor Laboratories, \$1,500,000 each....	4,500,000
Enlarging and modernizing existing research facilities, \$250,000 each for Weslaco Fruit and Vegetable Laboratory, Olustee Naval Stores Laboratory, and Stoneville Ginning Laboratory.....	750,000
Survey, determination of need, and planning of additional research facilities as may be required for utilization research in the Southeast, and weed control research, not to exceed....	250,000
Total.....	15,000,000

Amendment No. 8.—Plant and animal disease and pest control: Appropriates \$64,449,000 instead of \$59,505,000 as proposed by the House and \$67,071,500 as proposed by the Senate. The increase includes \$395,000 for additional pay costs; \$2,750,000 for screw-worm eradication; \$200,000 for plant quarantine inspection; \$600,000 for eradicating hog cholera; \$74,000 for pesticide regulation; and \$500,000 for eradication of fire-ant.

In addition, \$125,000 is provided to evaluate the efficiency of plant pest control programs and to test the effect of residues on nontarget organisms such as people and wildlife. This will enable the Department to undertake activities recommended by the President's Science Advisory Committee in its report "The Use of Pesticides." In this connection, the Department is directed to work in close cooperation with officials of other agencies in the conduct of joint programs and to take such steps as are necessary to carry out its assigned role in this very important area. The Conferees recommend further that a high-level commission or board be established to evaluate and make final determinations as to the use of pesticides for pest control purposes. The Department of Agriculture should be adequately represented on such a board.

Also, \$300,000 is provided for eradication of sheep scabies. This amount, to be matched from local sources, is to be used for the purposes for which appropriated. Also, the Department is to explore the feasibility of dipping sheep moved in interstate commerce as a control measure and to prevent reinfection.

The general reduction of \$750,000 is to be applied to the several programs financed under this appropriation item, including the increases discussed above.

Amendment No. 9.—Plant and animal disease and pest control: Reported in disagreement. The managers on the part of the House will offer a motion to concur in the Senate amendment requiring 50 percent matching of funds used for screwworm eradication. The Conferees have agreed to the Senate language with the understanding that State and local sources will be given full credit for all funds heretofore and hereafter contributed to the program.

Amendment No. 10.—Meat inspection: Appropriates \$27,931,000 instead of \$27,638,000 as proposed by the House and \$28,126,250 as proposed by the Senate.

Amendment No. 11.—Salaries and expenses (Special Foreign Currency Program): Reported in disagreement. The managers on the part of the House will offer a motion to concur in the Senate amendment, the amount of the appropriation to be \$1,250,000 instead of \$2,500,000 as proposed by the Senate.

Cooperative State Experiment Station Service

Amendment Nos. 12 and 13.—Payments and expenses: Appropriates \$41,633,000 instead of \$40,383,000 as proposed by the House and \$42,883,000 as proposed by the Senate. It is the intent of the Conferees to provide for the Federal share of salary increases for the balance of the fiscal year. In addition to the regular work of the land-grant colleges, the Conferees recognize that research for other Federal agencies is also an important contribution of these institutions. They concur in the statements of the two Houses which request reports on research contracts and grants entered into beginning with fiscal year 1964.

Extension Service

Amendment Nos. 14 and 15.—Payments to States and Puerto Rico: Appropriate \$67,295,000 instead of \$64,590,000 as proposed by the House and \$70,000,000 as proposed by the Senate.

Amendment No. 16.—Retirement costs for extension agents: Appropriates \$7,272,500 instead of \$7,110,000 as proposed by the House and \$7,435,000 as proposed by the Senate.

Farmer Cooperative Service

Amendment No. 17.—Salaries and expenses: Appropriates \$1,201,000 as proposed by the Senate instead of \$1,195,000 as proposed by the House.

Soil Conservation Service

Amendment No. 18.—Conservation operations: Appropriates \$98,339,000 instead of \$97,480,000 as proposed by the House and \$99,000,000 as proposed by the Senate. The increase includes \$839,000 for additional pay increases. The conferees direct that soil survey reports be published within the amount of funds provided, exclusive of the \$20,000 additional which shall be available to strengthen existing facilities.

Amendment No. 19.—Watershed protection: Appropriates \$63,607,000 instead of \$63,222,000 as proposed by the House and \$63,992,000 as proposed by the Senate. The amount agreed to includes \$5,446,000 for planning of new watersheds. The conferees have agreed that States should be encouraged to contribute as much as possible for this activity, regardless of Federal appropriations.

The conferees concur in the Senate language calling on the Bureau of the Budget to give fuller review and coordination to river basin surveys. They are also concerned about the declining local share of the cost of constructing watershed projects and urge Department officials to require more adequate local contributions, more in line with the intent of the original act.

Amendment No. 20.—Great Plains Conservation Program: Appropriates \$13,622,000 instead of \$12,994,000 as proposed by the House and \$14,640,000 as proposed by the Senate. Of the increase, \$28,000 is included for additional pay costs and \$600,000 is included for cost sharing assistance.

Amendment No. 21.—Resource conservation and development: Appropriates \$1,500,000 instead of \$1,200,000 as proposed by the House and \$2,200,000 as proposed by the Senate. The conferees are in agreement that the appropriate committees of Congress should be kept advised of each proposed activity under this program in advance of commitment.

Economic Research Service

Amendment No. 22.—Salaries and expenses: Appropriates \$9,912,000 instead of \$9,832,000 as proposed by the House and \$9,965,700 as proposed by the Senate.

Statistical Reporting Service

Amendment No. 23.—Salaries and expenses: Appropriates \$11,290,500 instead of \$11,079,000 as proposed by the House and \$11,486,000 as proposed by the Senate. The increase includes \$49,000 for additional pay costs, \$100,000 to extend the long-range program, and \$62,500 for additional cattle-on-feed reports for the balance of the fiscal year. Additional requirements for cattle-on-feed reports will be considered in connection with the 1965 budget. Adequate funds have been provided to enable the Department to continue all reports now being furnished.

Amendment No. 24.—Marketing research and service: Reported in disagreement. The managers on the part of the House will offer a motion to appropriate \$42,498,975 instead of \$37,061,000 as proposed by the House and \$44,514,100 as proposed by the Senate. The increase above the House bill includes \$4,985,675 for marketing research; \$50,000 for quality research on field packed lettuce and citrus; \$333,000 for additional marketing service pay costs; \$50,000 for poultry inspection; \$11,800 for reimbursement to employee's compensation fund; and \$7,500 for a cooperative market news service in Louisiana.

The Department is requested to make a full study of the possible use of State inspection organizations to hold down the cost as well as to prevent duplication of poultry inspection.

Amendment No. 25.—Payments to States and possessions: Appropriates \$1,500,000 as proposed by the Senate instead of \$1,425,000 as proposed by the House.

School lunch program: For the first time,

funds for cash payments and section 6 commodity purchases are based on a rate of 5 cents per meal on the average for the number of meals expected to be served during the school year. In addition, \$2,070,000 has been included for administrative purposes.

Amendment No. 26.—Section 32: Authorizes the use of \$45 million for the food stamp program instead of \$40 million as proposed by the House and \$51,500,000 as proposed by the Senate.

Amendment No. 27.—Section 32: Reported in disagreement. The managers on the part of the House will offer a motion to provide \$16 million instead of \$25 million as provided in the House bill. Of this amount, \$11 million shall remain available for construction and equipping of research facilities determined to be needed, including \$9,500,000 for a utilization research laboratory in the Southeast and \$1,500,000 for a weed control research laboratory. It is agreed that any new utilization laboratory shall not be used for quality research on peanuts.

Foreign Agricultural Service

Amendment No. 28.—Salaries and expenses: Appropriates \$18,699,500 instead of \$18,505,000 as proposed by the House and \$19,039,000 as proposed by the Senate. The increase includes \$41,000 for additional pay costs; \$58,000 for international agricultural affairs; \$14,000 for export programs; and \$81,500 for commodity programs. The conferees request the Department to more closely supervise the use of market development funds for travel and other purposes.

Commodity Exchange Authority

Amendment No. 29.—Salaries and expenses: Appropriates \$1,095,000 as proposed by the Senate instead of \$1,093,000 as proposed by the House.

Agricultural Stabilization and Conservation Service

Amendment No. 30.—Expenses: Appropriates \$106,549,500 instead of \$105,737,000 as proposed by the House and \$107,091,400 as proposed by the Senate.

Amendment No. 31.—Expenses: Approves language proposed by the Senate to restrict the use of funds for employees and committeemen for certain purposes.

Amendment No. 32.—Agricultural conservation program: Restores House language restricting use of funds for drainage of wetlands. In view of the action of the conferees, they instruct the Departments of Agriculture and Interior to expedite the implementation of action on types 1 and 2 where necessary to permit desirable drainage to proceed without unnecessary delay.

Amendment No. 33.—Land-Use Adjustment Program: Appropriates \$11,350,000 instead of \$10 million as proposed by the House and \$12,150,000 as proposed by the Senate. The conferees are agreed that, in the absence of legislation expanding the pilot program for 1964, expenditures in fiscal year 1964 will be held to the 1963 level of operation and financed through direct appropriation.

Office of the General Counsel

Amendment No. 34.—Salaries and expenses: Appropriates \$3,973,500 instead of \$3,953,000 as proposed by the House and \$3,987,000 as proposed by the Senate.

National Agricultural Library

Amendment No. 35.—Salaries and expenses: Appropriates \$1,426,140 as proposed by the Senate instead of \$1,420,000 as proposed by the House.

General administration

Amendment No. 36.—Salaries and expenses: Appropriate \$3,750,000 instead of \$3,735,000 as proposed by the House and \$3,760,550 as proposed by the Senate.

The conferees are in agreement that, beginning with fiscal 1965, separate budget requests for the Office of Inspector General and for the Office of Management Services shall be submitted to the appropriations committees and justified separately, and corresponding reductions shall be made in agencies from which transfers are made. For fiscal 1964, the expenditures of the Office of Inspector General shall not exceed \$9,883,000 and for the Office of Management Services shall not exceed \$2,314,000. In addition thereto, increased costs in fiscal 1964 resulting from the pay act shall be held to the same level as pay act increases for the agencies from which these offices have transferred funds in fiscal 1964.

Rural Electrification Administration

Amendment No. 37.—Salaries and expenses: Appropriates \$11,247,000 instead of \$11,162,000 as proposed by the House and \$11,287,000 as proposed by the Senate. Regulations, including changes, to carry out provisions in the reports of the House and Senate Committees shall be printed in the Federal Register within 90 days of enactment of this Act.

The managers on the part of the House disagree with the statements in the Senate report on pages 28 and 29 which require the Administrator (1) to certify to the Comptroller General and the Congress and (2) to give notice of applications to the committees 60 days in advance of approval. They agree that any REA Cooperative which is an applicant for a generation or transmission loan shall be made a party to any subsequent negotiations between the Administrator and the power supplier on contract arrangements.

Amendment No. 38.—Rural housing loans: Reported in disagreement. The managers on the part of the House will offer a motion to appropriate \$25 million for rural housing loans instead of providing it as additional borrowing authority as proposed by the Senate.

Amendment No. 39.—Rural renewal: Appropriates \$1,200,000 instead of \$1 million as proposed by the House and \$1,350,000 as proposed by the Senate.

Amendment No. 40.—Rural housing for the

elderly revolving fund: Appropriates \$3,500,000 as proposed by the Senate instead of \$2 million as proposed by the House.

Amendment No. 41.—Salaries and expenses: Appropriates \$38,925,900 instead of \$38,367,000 as proposed by the House and \$39,367,000 as proposed by the Senate. The increase provides \$339,500 for additional pay costs; \$205,000 for administration of loan programs; and \$14,400 to reimburse employees compensation fund.

Federal Crop Insurance Corporation

Amendment No. 42.—Administrative and operating expenses: Appropriates \$7,080,000 instead of \$6,950,000 as proposed by the House and \$7,210,000 as proposed by the Senate.

Amendment No. 43.—Federal Crop Insurance Corporation fund: Provides for the use of \$3,505,000 of premium income for administrative and operating expenses instead of \$3,530,000 as proposed by the House and \$3,480,000 as proposed by the Senate.

Commodity Credit Corporation

Amendment No. 44.—Reimbursement for net realized losses: Appropriates \$2,699,400,000 as proposed by the Senate instead of \$2,500 million as proposed by the House.

Foreign assistance programs

Amendment Nos. 45 and 46.—Public Law 480: Appropriate \$1,452 million for title I sales and \$52,515,000 for title IV contracts as proposed by the House instead of \$1,252 million for title I and \$79 million for title IV as proposed by the Senate.

Amendment No. 47.—International Wheat Agreement: Appropriates \$86,218,000 as proposed by the House instead of \$92,356,000 as proposed by the Senate.

JAMIE L. WHITTEN,
WILLIAM H. NATCHER,
CLARENCE CANNON,
WALT HOBAN,
ROBERT H. MICHEL
(except as to amendment No. 37),

Managers on the Part of the House.

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent for the present consideration of the conference report on the bill (H.R. 6754) an act making ap-

propriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi that the statement of the managers on the part of the House be read in lieu of the report?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see above.)

Mr. WHITTEN. Mr. Speaker, this represents the agreement between the House and the Senate on the Agriculture Appropriation bill for the present fiscal year, 1964.

There are quite a number of items in this report, but we have reached an agreement as is pointed out in the statement on all items, including those that were in controversy last year. The so-called peanut laboratory item is carried over without prejudice and that matter will come up early in the next session.

At that time we can consider that matter. The conference report is about \$144,384,785 below the budget estimates. As we all know, this is the bill that carries funds for meat inspection, research, school lunches, price supports, and all of the other programs of the Department of Agriculture.

A summary of amounts included in the budget estimates, the House bill, the Senate bill, and the conference report is as follows:

Agriculture Department appropriation bill, 1964

Title	Budget estimate	House bill	Senate bill	Conference report	Conference report compared with—		
					Budget	House	Senate
Title I—General activities.....	\$1,582,417,000	\$1,530,934,000	\$1,564,207,340	\$1,548,973,315	—\$33,443,685	+\$18,039,315	—\$15,234,025
Title II—Credit agencies.....	58,061,000	52,529,000	55,504,000	79,872,900	+21,811,900	+27,343,900	+24,368,900
Title III—Corporations.....	2,806,610,000	2,506,950,000	2,706,610,000	2,706,480,000	—100,130,000	+199,530,000	—130,000
Title IV—Foreign assistance programs.....	1,921,667,000	1,889,044,000	1,721,667,000	1,889,044,000	—32,623,000	-----	+167,377,000
Total.....	6,368,755,000	5,979,457,000	6,047,988,340	6,224,370,215	—144,384,785	+244,913,215	+176,381,875

Mr. Speaker, unless there are some questions, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

Mr. ASHLEY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 7: Page 3, line 17, after "\$91,115,000" strike out the remainder of line 17 and all of lines 18 through 25 and insert: "Provided, That, in addition, not to exceed \$35,000,000 may be transferred from the Commodity Credit Corporation to this appropriation, in accordance with the

Act of June 29, 1948 (15 U.S.C. 714b), for utilization research and development, cost of production research, and other related research designed to reduce surplus commodities held or to be held by the Commodity Credit Corporation, and such amounts as are required for the construction, alteration, and equipping of research facilities for utilization research and development shall remain available until expended: *Provided further,*."

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 7 and concur therein with an amendment, as follows: In lieu of the matter inserted and stricken by said amendment insert: "": *Provided*, That, in addition, not to exceed \$15,000,000 may be transferred from the Commodity Credit Cor-

poration to this appropriation, in accordance with the Act of June 29, 1948 (5 U.S.C. 714), for utilization research and development, cost of production research, and other related research designed to reduce surplus commodities held or to be held by the Commodity Credit Corporation, including \$10,000,000 for the planning, construction, alteration, and equipping of research facilities, which amount shall remain available until expended."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 9: Page 5, line 9, insert: "": *Provided further*, That no funds shall be available for carrying out the screw-worm eradication program that does not require minimum matching by State or local sources of at least 50 per centum of the

expenses of production, irradiation, and release of the screwworm flies: *Provided further*."

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 9 and concur therein.

Mr. DENT. Mr. Speaker, will the gentleman yield?

The SPEAKER. Does the gentleman from Mississippi yield to the gentleman from Pennsylvania?

Mr. WHITTEN. I yield to the gentleman.

Mr. DENT. It is rather late, so excuse me if I have the wrong directions. It seems to me we have been getting wrong directions lately, and I would like to straighten them out. Do I understand that this is a second motion to recede from a position that the House has previously taken on a piece of legislation that passed this House?

Mr. WHITTEN. It is. It is a technical matter, may I say.

Mr. DENT. Well, it was a very serious technical matter awhile ago, and I heard some very patriotic speeches about the will of the House and how we ought to stand behind the position of the House, but it seems that the convenience of doing what certain groups want done can change our position as quick as we can flick a twist of the wrist.

The SPEAKER. The question is on the motion of the gentleman from Mississippi.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 11: Page 6, line 16, insert:

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

"For purchase of foreign currencies which accrue under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), for market development research authorized by section 104(a) and for agricultural and forestry research and other functions related thereto authorized by section 104(k) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704(a) (k)), to remain available until expended, \$2,500,000: *Provided*, That this appropriation shall be available, in addition to other appropriations for these purposes, for the purchase of the foregoing currencies: *Provided further*, That funds appropriated herein shall be used to purchase such foreign currencies as the Department determines are needed and can be used most effectively to carry out the purposes of this paragraph, and such foreign currencies shall, pursuant to the provisions of section 104(a), be set aside for sale to the Department before foreign currencies which accrue under said title I are made available for other United States uses: *Provided further*, That not to exceed \$25,000 of this appropriation shall be available for purchase of foreign currencies for expenses of employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a)."

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 11 and concur therein with an amendment, as follows: In lieu of the sum of \$2,500,000 named in said amendment insert: "\$1,250,000".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 24: Page 16, line 14, strike out lines 14 through 26 and lines 1 through 3 on page 17 and insert:

"MARKETING SERVICES

"For expenses necessary to carry on services related to agricultural marketing and distribution as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627) and other laws, including the administration of marketing regulatory acts connected therewith and for administration and coordination of payments to States; and this appropriation shall be available for field employment pursuant to section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$25,000 shall be available for employment at rates not to exceed \$75 per diem under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), in carrying out section 201(a) to 201(d), inclusive, of title II of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1291) and section 203(j) of the Agricultural Marketing Act of 1946; \$37,061,000.

"MARKETING RESEARCH AND SERVICE

"For expenses necessary to carry on research and service to improve and develop marketing and distribution relating to agriculture as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627) and other laws, including the administration of marketing regulatory acts connected therewith; research and development, including related cost and efficiency evaluations, and services relating to agricultural marketing and distribution, for carrying out regulatory acts connected therewith, and for administration and coordination of payments to States; and this appropriation shall be available for field employment pursuant to section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$25,000 shall be available for employment at rates not to exceed \$75 per diem under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a) in carrying out section 201(a) to 201(d), inclusive, of title II of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1291) and section 203(j) of the Agricultural Marketing Act of 1946, \$44,514,100, of which \$1,600,000 is to remain available until expended for the construction of a peanut quality research facility and the acquisition of the necessary land therefor by donation: *Provided*, That research investigations undertaken at the national peanut quality evaluation laboratory must be truly national in scope and must give equivalent treatment to the different types of peanuts produced and marketed in the major peanut producing areas: *Provided further*, That appropriations hereunder shall be available pursuant to 5 U.S.C. 565a for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of erecting any one building during the fiscal year shall not exceed \$20,000, except for one building to be constructed at a cost not to exceed \$50,000, and the cost of altering any one building during the fiscal year shall not exceed \$7,500 or 7.5 per centum of the cost of the building, whichever is greater."

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 24 and concur therein with an amendment, as follows: In lieu of the matter inserted and stricken by said amendment insert:

"MARKETING RESEARCH AND SERVICE

"For expenses necessary to carry on research and service to improve and develop marketing and distribution relating to agriculture as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627) and other laws, including the administration of marketing regulatory acts connected therewith; research and development, including related cost and efficiency evaluations, and services relating to agricultural marketing and distribution, for carrying out regulatory acts connected therewith, and for administration and coordination of payment to States; and this appropriation shall be available for field employment pursuant to section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$25,000 shall be available for employment at rates not to exceed \$75 per diem under section 15 of the act of August 2, 1946 (5 U.S.C. 55a) in carrying out section 201(a) to 201(d), inclusive, of title II of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1291) and section 203(j) of the Agricultural Marketing Act of 1946, \$42,498,975: *Provided*, That appropriations hereunder shall be available pursuant to 5 U.S.C. 565a for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of erecting any one building during the fiscal year shall not exceed \$20,000, except for one building to be constructed at a cost not to exceed \$45,000, and the cost of altering any one building during the fiscal year shall not exceed \$7,500 or 7.5 per centum of the cost of the building, whichever is greater.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 27: Page 20, strike out: ", and (5) not more than \$25,000,000 for transfer to the Commodity Credit Corporation to be used to increase domestic consumption of any farm commodity or farm commodities determined by the Secretary of Agriculture to be in surplus supply and hereafter such sums as may be approved by the Congress shall be available for such purpose."

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 27 and concur therein with an amendment, as follows: In lieu of the matter inserted and stricken by said amendment insert: ", and (5) not more than \$16,000,000 for transfer to the Commodity Credit Corporation to be used to increase domestic consumption of any farm commodity or farm commodities determined by the Secretary of Agriculture to be in surplus supply, and hereafter such sums (not in excess of \$25,000,000 in any one year) as may be approved by the Congress shall be available for such purpose, such authorization not to restrict authority in existing law, of which amount \$11,000,000 shall remain available until expended for construction and equipping of research facilities determined to be needed as a result of a special survey."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 38, page 31, line 14, insert:

"RURAL HOUSING LOANS

"For rural housing loans, \$25,000,000, to be made available in addition to and in the same manner and under the terms and conditions applicable to funds provided under section 511 of the Housing Act of 1949, as amended."

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 38 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment insert:

"RURAL HOUSING LOANS

"For additional rural housing loans as authorized by title V of the Housing Act of 1949, as amended, \$25,000,000, to remain available until expended."

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks on the conference report in the RECORD and to include tables.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MICHEL. Mr. Speaker, it should be pointed out that this conference report is \$244,912,215 over and above the bill passed by the House, which brings the total to \$6,224,370,214, or \$144,384,785 less than the budget figure.

Frankly, I wish that we could have made a more respectable showing in our reduction, but in all fairness it should be pointed out that \$1,889,044,000 is for title 4, foreign assistance programs. This is one big reason why I continue to vote against even the pared down figure of the foreign operations subcommittee bill.

As the gentleman from Louisiana [Mr. PASSMAN] has pointed out earlier during consideration of the foreign aid bill, there are a number of additional expenditures over and above his regular foreign aid bill, and this is one of the big ones.

I should like to point out also that \$2,706,480,000 of this agriculture appropriation is for reimbursement of Commodity Credit Corporation for sustained losses in the past year—an astronomical figure.

And finally, Mr. Speaker, I should just like it to be known for the record that I signed the conference report with one exception and that is amendment No. 37, having to do with the Rural Electrification Administration. Personally, I believe the language in the Senate report is stronger than that of the House and that it has several very meritorious features. I will say, however, that our House report this year was the strongest it has ever been and it would be my fervent hope that those responsible for administering the rural electrification pro-

gram would take heed to what the Congress says, for we have proved conclusively in both bodies that our warnings in the past have not been ill founded.

Mr. Speaker, our subcommittee has worked long and hard to arrive at an acceptable compromise and while we cannot have everything our way, it is my feeling that the House position has been upheld in fine fashion by the distinguished chairman, the gentleman from Mississippi [Mr. WHITTEN], the gentleman from Kentucky [Mr. NATCHER] and my own ranking Republican member, the gentleman from Washington [Mr. HORAN] and in view of the lateness of the hour, urge the adoption of the conference report.

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks in the RECORD on this report.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

RESIGNATION OF MEMBER OF THE HOUSE

The SPEAKER laid before the House the following communication, which was read:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., December 18, 1963.

HON. JOHN F. MCCORMACK,
House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Please consider this my formal resignation from the House of Representatives of the U.S. Congress in which I have served as the Member from California's Fifth District. This resignation is to be effective at 11:59 p.m., January 7, 1964. As you know, the reason for this resignation is that I have been honored by the people of my native city who have chosen me to be their mayor.

Taking leave of the U.S. Congress after having had the privilege to serve with you and all my other colleagues, leaves me with mixed emotions. Allow me through you to thank all those with whom I have served for their many kindnesses, for their cooperation, and above all for the privilege of knowing and working with them.

I look forward to seeking your advice and counsel in the pursuit of my new duties to the end that I may better serve the people of San Francisco.

With every best wish, I am,
Sincerely,

JOHN F. SHELLEY,
Member of Congress.

[Mr. OLIVER P. BOLTON addressed the House. His remarks will appear hereafter in the Appendix.]

CORRECTION OF ROLL CALL

Mr. POOL. Mr. Speaker, on October 8, on rollcall No. 166 I am recorded as absent. I was present and answered to my name. I ask unanimous consent that the permanent RECORD and the Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

HERBERT H. LEHMAN

(Mr. STRATTON asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. STRATTON. Mr. Speaker, one of the really great citizens of our time passed away in New York City the other day, Herbert H. Lehman, former Governor of New York and former U.S. Senator from New York.

At the time of his death Governor Lehman was 85. He had lived, to be sure, a full and distinguished life. He had earned a quiet and peaceful retirement. Yet until the day of his death, Governor Lehman never lost his interest in forward-looking and progressive government, and he remained an active leader and counselor in the political and civic life of our State, and a source of inspiration to millions of Americans everywhere.

Characteristically, Governor Lehman was engaged in preparing to travel to Washington to receive from President Johnson the Nation's highest civilian award, the Medal of Freedom, when the end came.

No one more richly deserved this recognition for distinguished service to his country and to humanity.

In many ways, Mr. Speaker, Governor Lehman was the antithesis of the popular impression of a successful politician. He was not a glad hander. He was not a spellbinder on the podium. And yet Herbert H. Lehman was one of the most successful votegetters in the history of New York State politics. What was his secret? Simply a profound sincerity and personal integrity that came across loud and clear to every man and woman in the State—here was a man who really cared, here was a man who said what he believed and believed what he said, here was a man you could truly have full and complete confidence in. Monumentally unconcerned with what we refer to these days as a political "image," Herbert H. Lehman was nonetheless the very embodiment of that rare combination of courage, strength, independence, and humanity which comprise the real leader of men par excellence.

Mr. Speaker, Herbert H. Lehman died only a few days after the tragic death of John F. Kennedy. It is most fitting that today we should be mourning them together, because together they fought for the same kind of tolerant, rational, and progressive America. And with both of them our greatest tribute would be to strive harder than ever before to carry through to completion the work for which they dedicated their lives.

BIRTHDAY ANNIVERSARY OF THE SPEAKER

(Mr. WICKERSHAM asked and was given permission to address the House for 1 minute.)

Mr. WICKERSHAM. Mr. Speaker, I know all the Members are tired, but I take pleasure in calling attention of the Members to the fact that this is the Speaker's birthday.

[Applause, the Members rising.]

[Mr. AYRES addressed the House. His remarks will appear hereafter in the Appendix.]

TO PRINT FOR THE USE OF THE COMMITTEE ON PUBLIC WORKS CERTAIN INFORMATION ON WATER POLLUTION CONTROL

Mr. FRIEDEL. Mr. Speaker, by direction of the Committee on House Administration I call up Senate Concurrent Resolution 67 and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Committee on Public Works not to exceed two thousand additional copies of the hearings on water pollution control, S. 649, and related bills, by the Special Subcommittee on Air and Water Pollution during the current session of Congress.

The resolution was concurred in.

A motion to reconsider was laid on the table.

PRINTING OF COMPILATIONS OF MATERIALS RELATING TO ANNUAL NATIONAL HIGH SCHOOL AND COLLEGE DEBATE TOPICS

Mr. FRIEDEL. Mr. Speaker, by direction of the Committee on House Administration I call up S. 2311 to provide for the preparation and printing of compilations of materials relating to annual national high school and college debate topics, and ask unanimous consent for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Librarian of Congress is authorized and directed to prepare compilations of pertinent excerpts, bibliographical references, and other appropriate materials relating to (1) the subject selected annually by the National University Extension Association as the national high school debate topic and (2) the subject selected annually by the American Speech Association as the national college debate topic. In preparing such compilations the Librarian shall include materials which in his judgment are representative of, and give equal emphasis to, the opposing points of view on the respective topics.

Sec. 2. The compilations on the high school debate topics shall be printed as Senate documents and the compilations on the college debate topics shall be printed as House documents, the cost of which shall be charged to the congressional allotment for printing and binding. Additional copies of such documents may be printed in such quantities and distributed in such manner as the Joint Committee on Printing directs.

The bill was ordered to be read a third time, was read the third time, and passed and a motion to reconsider was laid on the table.

BIRTHDAY OF THE HONORABLE JOHN W. McCORMACK

(Mr. HALLECK asked and was given permission to address the House for 1

minute and to revise and extend his remarks.)

Mr. HALLECK. Mr. Speaker, is it really true that this is your birthday? If it is, I am sure on behalf of all of us on both sides of the aisle we want to wish you many, many happy years of life and success. Now, by that I do not mean exactly that we want you to be Speaker forever. I say this because we on this side of the aisle have a few ambitions in that regard ourselves.

But let me just say that, through a long day and a long night, you have again demonstrated your fairness and your great capacity to preside over this House of Representatives with that dignity and patience we all admire.

The SPEAKER. The Chair recognizes the gentleman from Oklahoma [Mr. ALBERT].

TRIBUTE TO THE SPEAKER ON HIS 72D BIRTHDAY

Mr. ALBERT. Mr. Speaker, I have been preempted for about the fourth time in the effort I had hoped to initiate which was to wish you a happy birthday. We had planned tentatively to postpone these good wishes until noon today. But in view of the very fine tribute paid you by our distinguished minority leader, I think it would be in order to continue the discussion of this subject at this time.

I want to say, Mr. Speaker, that on this day when you are 72 years young you are the most admired, respected legislative leader in our country.

I think this is an appropriate occasion on which to pay the great man who presides over this House a brief word of tribute.

JOHN McCORMACK has demonstrated those unique qualities of mind, heart, and character which are essential to the speakership. First of all, as the minority leader has said, the Speaker has been eminently fair at all times. I am sure every Member of the House will agree with me that he has presided with utmost impartiality and with devoted consideration for the rights not only of the majority party and the minority party, but of every individual Member of the House.

The Speaker has had long experience as a legislator. He adds to that his boundless energy, his keen mind and his deep understanding of the responsibilities of this House. This year in particular we have seen him draw daily upon his great powers throughout what has been one of the longest and most arduous peacetime sessions in the history of the House of Representatives.

In the midst of issues as controversial and as complex as any upon which this House has ever had to pass judgment, in the face of frustrations necessarily attendant to the resolution of such issues, he has manifested a degree of patience seldom seen in human beings.

He has shown that unshakable resolve to do and to complete his job, and the results will be remembered long after those impatient, uninformed, and transient critics have passed into oblivion.

Under the leadership of Speaker McCORMACK we have written a great record this year and as a result the 88th Con-

gress will go down in history as outstanding.

JOHN McCORMACK has long been an illustrious Member of the House. He has served with unusual distinction as Member, whip, leader, and Speaker. He has met all the tests of leadership. His colleagues have seen him in action in time of war and in time of peace, in depression and in prosperity. They have seen him face up to issue after issue while under fire year in and year out. They have long known his mettle. Knowing him, they have bestowed upon him the highest tribute within their power to give.

No greater honor, indeed, Mr. Speaker, has any group of men to bestow upon a fellowman. There is no higher honor on earth than the office which our Speaker holds. There is no more important office in the legislative halls of the world than the speakership of the House. There is no man that ever occupied this office with more fairness, with greater determination, with greater understanding and greater manifestation of the historic mission of his high position than JOHN McCORMACK.

It is, therefore, Mr. Speaker, with a sense of personal pride that I join in wishing you a happy birthday.

WHAT CONGRESS DID THIS SESSION

(Mr. ROONEY of New York asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ROONEY of New York. Mr. Speaker, I think the finest method of complimenting the Speaker on his birthday is to include the legislative record of the 1st session of the 88th Congress. I therefore include with these remarks a newspaper article from the Washington Evening Star of today entitled, "What Congress Did This Session." It reads as follows:

THE LEGISLATIVE RECORD—WHAT CONGRESS DID THIS SESSION

The 1st session of the 88th Congress took the following actions in enacting legislation, disapproving bills or leaving measures for further moves in the 2d session beginning January 9:

ENACTED INTO LAW

Higher education aid providing \$1.2 billion for construction of academic facilities at public and private colleges and universities; \$1.5 billion for vocational education programs, extension of National Defense Education Act and assistance to impacted areas; \$175 million for expansion and improvement in medical and other health professions training.

A \$3.6 billion authorization for economic and military assistance to foreign countries.

Ratification of the nuclear test ban treaty by the Senate.

Increased outlays for mental health programs.

A \$527 million manpower development and training program.

Continuation and expansion of the Peace Corps.

Extension of the draft law to July 1, 1967.

Requirement for equal pay for women and men employed in essentially the same work.

Legislation to avert threatened railroad strike.

Pay raise bill for the armed services.

One-year extension of the Civil Rights Commission.

Senate

(Senate proceedings continued from the Record of December 20, 1963)

At 6 o'clock and 8 minutes a.m., on Saturday, December 21, 1963, the Senate reassembled, and was called to order by the Presiding Officer (Mr. HUMPHREY in the chair).

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, informed the Senate that, pursuant to the provisions of section 5, Public Law 420, 83d Congress, the Speaker had appointed Mr. CAREY, of New York, to be a member of the board of directors of Gallaudet College, to fill the existing vacancy thereon.

The message also informed the Senate that, pursuant to the provisions of section 1, Public Law 86-42, the Speaker had appointed Mr. GALLAGHER, of New Jersey, chairman, Mrs. KELLY, of New York, Mr. DULSKI, of New York, Mr. MURPHY, of Illinois, Mr. GIAMMO, of Connecticut, Mr. JOHNSON, of California, Mr. SLACK, of West Virginia, Mr. BROOMFIELD, of Michigan, Mr. TUPPER, of Maine, Mr. ROBISON, of New York, Mr. BATTIN, of Montana, and Mr. ANDREWS of North Dakota as members of the U.S. delegation of the Canada-United States Interparliamentary Group on the part of the House, for the meeting to be held in the District of Columbia, commencing on January 14, 1964.

The message announced that the House had passed, without amendment, the bill (S. 2311) to provide for the preparation and printing of compilations of materials relating to annual national high school and college debate topics.

The message also announced that the House had agreed to the concurrent resolution (S. Con. Res. 67) to print for the use of the Committee on Public Works certain information on water pollution control.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6754) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, and for other purposes.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the President pro tempore:

- S. 1014. An act for the relief of Mrs. Joyce Mark Bouvier and Paula Bouvier;
S. 1096. An act for the relief of Mrs. Susanna Grun (Susanne Roth);

S. 1319. An act to amend chapter 35 of title 18, United States Code, with respect to the escape or attempted escape of juvenile delinquents;

S. 1838. An act for the relief of Hannah Robbins;

H.R. 1211. An act to admit the vessels *Fort Town*, *Maple City*, and *Windmill Point* to American registry and to permit their use in the coastwise trade;

H.R. 1532. An act for the relief of Herbert R. Schaff;

H.R. 1560. An act for the relief of Constantinos A. Grigoras (Gregoras);

H.R. 2292. An act for the relief of Marvin M. Greenlee;

H.R. 2364. An act for the relief of the Clay County Hospital, Brazil, Ind.;

H.R. 4099. An act for the relief of Jesse Leigh, Jr.;

H.R. 4157. An act to enact part II of the District of Columbia Code, entitled "Judiciary and Judicial Procedure" codifying the general and permanent laws relating to the judiciary and judicial procedure of the District of Columbia;

H.R. 4505. An act to confer jurisdiction on the Court of Claims to entertain, hear, and determine a motion for a new trial on the claim of Robert Alexander;

H.R. 4759. An act for the relief of W. V. Grimes, James A. Powell, Frank Grove, Harry P. Nash, Jr., and Michael J. Neofitou;

H.R. 5746. An act for the relief of Robert H. Bagby;

H.R. 6181. An act for the relief of Mr. Rudolph Sanderson, of Meriden, Kans.;

H.R. 6468. An act for the relief of Harold J. Burke;

H.R. 6807. An act for the relief of H. W. Robinson & Co., Inc.;

H.R. 7019. An act to provide further compensation to Mrs. Johnson Bradley for certain land and improvements in the village of Odanah, Wis., taken by the Federal Government;

H.R. 8667. An act authorizing additional appropriations for the prosecution of comprehensive plans for certain river basins;

S.J. Res. 113. Joint resolution to authorize the President to issue annually a proclamation designating the first week in March of each year as Save Your Vision Week; and

H.J. Res. 680. Joint resolution requesting the President to designate 1964 as "U.S. Customs Year."

DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATION BILL, 1964—CONFERENCE REPORT

Mr. HOLLAND. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6754) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read, for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of today.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. HOLLAND. Mr. President, I have a statement to make on certain items in the conference report. All the conferees of both Houses have signed the report, and the House has just now approved it. I believe a few facts should suffice at this early hour in the morning. The total appropriations are \$6,224 million-plus. It is interesting to note that the bill, which covers twice as much as the foreign aid bill in appropriations, does not seem to have made a ripple on the public consciousness, whereas it has a great impact upon the Nation and upon the world.

The total amount provided in the conference report is \$144,384,785 under the budget estimates, \$176,381,875 over the bill as it passed the Senate, and \$244,913,215 over the amount in the bill as it passed the House. This strange situation results from the way that we have had to treat the appropriations for the Commodity Credit Corporation and the Public Law 480 activities under the facts as they appeared before the conference.

Mr. President, I ask unanimous consent that a more detailed statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

GENERAL STATEMENT

The conference report on the agricultural appropriation bill provides total appropriations of \$6,224,370,215.

These appropriations finance the many and diverse program and administrative operations of the Department of Agriculture.

The total amount provided in the conference report is \$144,384,785 under the budget estimates, and \$176,381,875 over the bill as it passed the Senate, and \$244,913,215 over the amount in the bill as it passed the House.

These conference changes which result in larger amounts than the bill as it passed each body are due to action in the conference committee to provide the maximum amount carried in the House and Senate versions of the bill, for appropriations to the Commodity Credit Corporation to enable it, under the \$14.5 billion borrowing authorization, to carry out the several programs authorized to be administered.

Under the law, the CCC must be reimbursed by appropriations for losses incurred resulting from the regular price support, supply, crop diversion and payment program activities of the farm program.

Also appropriations must be made to cover the costs of the foreign assistance programs and other related programs authorized by these respective acts. I will deal with the specific amounts involved for these items later in my statement.

GENERAL DEPARTMENTAL ACTIVITIES

The general activities of the Department are financed under titles I and II of the bill.

The conferees agreed to a general formula of accepting 60 percent of the pay costs which had been restored by the Senate. This

amounts to about \$4.2 million of the approximately \$7 million restored by the Senate for mandatory pay costs.

The Senate committee report carried a provision to reserve the increases over 1963 level during the current fiscal year—month by month from the beginning of the fiscal year to the date of enactment of the bill. Under this provision the full amount provided would have been in the base for 1965 without further justification again next year.

The House conferees insisted that specific amounts be agreed to rather than the formula recommended in the Senate committee report.

I still believe the procedures recommended by the Senate committee would have resulted in a more orderly method of granting modest increases for well-justified projects and activities; since under the conference report a number of these small items will have to be dealt with again to enable the Department to carry out the increased activity as originally contemplated by the committee and approved by the Senate.

AGRICULTURAL RESEARCH PROGRAMS

Senators will recall that the House had proposed to realign agricultural marketing research under the Agricultural Research Service. By this means, it was stated that better coordination of research would be achieved. The Department appealed this action taken by the House and stated that it would review research programs of the two agencies, especially in regard to quality research and advise the Appropriations Committees of the results of this study. The conferees have agreed to the following statement:

"Eliminate House language providing for marketing research as proposed by the Senate. The conferees agree that quality research could be appropriately conducted under the agricultural research as indicated by the Department."

It is expected that the results of this study by the Department will be submitted to the committee next year in connection with the justifications for research appropriations for fiscal year 1965.

As stated in the Senate committee report on page 6, better correlation of research as well as better coordination of research investigations is necessary to make certain that maximum efficiency is achieved in these entire research programs.

For example, all research dealing with the effect of machines upon cotton fiber should be better coordinated. At present, harvesting, ginning, spinning and utilization research on cotton—all of which activities directly affect the quality of cotton for end-use purposes are widely scattered. Since the quality of a commodity when it reaches the marketplace is a dominant factor in its market acceptance, the committee believes it would be very unwise to take any general action affecting quality research which would have a tendency to subordinate the potential need for greater emphasis on such research activity.

The appropriation bill as passed by the Senate included funds for three feasibility studies on research as follows:

- (1) \$25,000 to survey and report upon the need for and scope of work to be undertaken at a proposed regional research station to conduct research investigations on fruit crops in the northeastern Appalachian region;
- (2) \$25,000 for a feasibility study to evaluate the need, purpose, and scope of a proposed wool quality research program; and
- (3) \$25,000 for a feasibility study in regard to the need, cost, and related pertinent factors relative to a national grain marketing research facility.

The House conferees declined to agree to funds in the conference for the preparation of these reports. I am sure that the Senate

agrees with the need for these reports, and I expect the Secretary of Agriculture will see to it that these feasibility studies are made and the results are reported to the Committee on Appropriations as soon as possible next year irrespective of the fact that no specific funds are carried in the bill for the costs incidental to the preparation of them.

PLANT AND ANIMAL DISEASE AND PEST CONTROL

The conference bill carries \$64.5 million for the conduct of regulatory and control programs administered by the Agricultural Research Service, some of which receive co-operation and cost-sharing from State and local sources.

The conference bill is \$4,944,000 over the amount carried in the House bill of which \$2,750,000 is for the cooperative program to eradicate the screw-worm. This amount was inadvertently omitted in the bill as passed by the House. Other increases approved were \$200,000 over the House bill for strengthening plant quarantine at ports of entry, making a total increase of \$361,000 under this activity. For the eradication of hog cholera, the conferees agreed to an increase over 1963 of \$1,396,000. This is \$600,000 over the amount in the House approved bill, and makes a total of approximately \$3.5 million of Federal appropriations available for this program activity.

For the eradication of the fire ant, the conferees agreed to an increase of \$500,000 over the amount carried in the House bill. This will continue the Federal funding of this program at approximately \$3.4 million.

For the cooperative program to eradicate sheep scabies, the conferees have agreed to an increase of \$300,000 over 1963, making available \$843,000 of Federal financing on this cost-sharing eradication program.

PAYMENTS TO STATES FOR COOPERATIVE EXTENSION WORK AND STATE EXPERIMENT STATION

The conferees agreed to one-half of the Senate increases to be directed toward adjusting the pay of cooperative extension workers and employees at State experiment stations, who are paid in part from Federal funds carried in this bill.

The specific amount of increase agreed to was \$2,705,000 of \$5,410,000 for payments for cooperative extension workers; and \$1,250,000 of \$2,500,000 increase proposed by the Senate for payments to State experiment stations.

It is expected that the remaining amounts of additional Federal appropriations necessary to bring about comparable salary adjustments will be considered in the consideration of the appropriation bill for 1965.

TITLE II—CREDIT AGENCIES

The conferees have directed that the Administrator of the Rural Electrification Administration prepare and issue the necessary regulations in the Federal Register to carry out the procedural requirements set forth in the respective committee reports in regard to the consideration and major approval of generation and transmission loans.

These procedural requirements and the regulations shall be printed in the Federal Register within 90 days of enactment of this Appropriation Act.

RURAL HOUSING LOANS

The Senate had provided an increase of \$25 million in the borrowing authorization for rural housing loans, authorized under title V of the House Act of 1949, as amended.

The conference committee agreed to a direct appropriation instead of additional borrowing authorization.

This is the principal change in conference in regard to programs administered by the Farmers Home Administration.

Some modest increases were provided for other new programs. The amounts provided appear in detail in the table on appropri-

tions which will be inserted in the RECORD at the conclusion of Senate consideration of the conference report.

APPROPRIATIONS FOR THE COMMODITY CREDIT CORPORATION

Under title III of the bill \$2,699,400,000 is appropriated to reimburse the CCC for net realized losses in fiscal 1963. This amount is required to repair the capital structure of the corporation for losses already incurred in connection with regular farm program costs. This is the amount carried in the Senate bill, and is \$100 million below the estimate and \$199,400,000 over the amount in the House bill.

TITLE IV—FOREIGN ASSISTANCE PROGRAMS

The bill as agreed to in conference carries a total of \$1,889,044,000 in advance appropriations to conduct the various foreign assistance programs, authorized by acts of Congress, principally Public Law 480.

Within these totals the specific appropriations are: \$1,452 million for sales for foreign currencies under title I of Public Law 480; \$215 million for emergency famine relief; and \$52,515,000 for title IV, long-term contracts. This makes a total of \$1,719,966,000 for advance appropriations to carry out the various activities under that act.

There is also included \$82,218,000 for expenses of the International Wheat Agreement, and \$82,860,000 for expenses under the barter program for materials in the supplemental stockpile.

In total the amounts recommended are \$167,377,000 over the Senate bill and \$195,978,000 under the 1963 appropriations.

In summary the conference committee has agreed to the larger amounts carried in both versions of the bill in order to provide the Commodity Credit Corporation with the maximum amount of capital restoration and advance appropriations needed to carry out all of its authorized program activities. I earnestly hope that the total amounts agreed to, which amount to a grand total of \$4,588,444,000 will be sufficient to enable the Commodity Credit Corporation to carry out all of its authorized programs without the need for a supplemental appropriation early in the next session. However, if it develops that additional funds are required, that need will have to be considered as and if it develops.

PRODUCTION AND UTILIZATION RESEARCH

The conferees have experienced considerable difficulty in arriving at a mutually satisfactory agreement in regard to expansion of utilization research and cost of production research, together with a legislative provision inserted by the House in regard to the use of section 32 permanent authorization.

I intend to move for the Senate to accept the amendment as now revised and agreed to by the joint conference committee.

In regard to amendment No. 7, the House version of the bill provided \$5 million to be transferred from the Commodity Credit Corporation for cost of production research on surplus commodities, such research to be conducted through contracts and grants. The Senate Committee struck this provision and inserted language which would authorize not to exceed \$35 million to be transferred and used for utilization research and development as well as cost-of-production research on surplus commodities. Of this total amount, \$30 million had been for the purpose of carrying out the accelerated utilization research program as proposed by the Department in Senate Document No. 34.

As finally agreed upon by the conferees, Senate amendment No. 7 has been rewritten to transfer a total of \$15 million of which \$14,750,000 is for utilization research facilities, and for the acceleration of utilization research.

The uses of these funds for facilities and for research are listed in the statement on the conference report.

Now reverting again to amendment No. 27, it has been revised in the conference to provide that \$11 million of section 32 funds be used for the construction of research facilities as follows: \$9.5 million for the construction of a utilization research facility to be located in the Southeastern States; and \$1.5 million for the construction of a laboratory to carry on intensive research for weed control, this facility to be located in Mississippi. In addition \$5 million is provided for accelerating production research.

As agreed to in conference, amendment No. 27 will likewise provide for \$5 million to be authorized to be transferred to the Commodity Credit Corporation to be used to increase domestic and foreign consumption of any farm commodity or farm commodities. Further, this language proviso sets a limitation whereby hereafter such sums not in excess of \$25 million as may be approved annually by the Congress shall be available for each purpose.

In view of this agreement dealing with these two amendments, I shall move that the Senate agree to the amendments of the House to the amendments of the Senate numbered 7 and 27, as amended.

Mr. HOLLAND. Briefly, I invite attention to five items which I believe should be mentioned because of their size and importance.

First, there was an item for rural housing loans placed in the bill in the Senate in the amount of \$25 million. It was put in as an amendment of the basic act. Under the conference report, that provision was receded from by the Senate, but the same amount of \$25 million was provided by way of direct appropriation for the same purpose.

Second, the House version of the bill had taken the appropriation for marketing research out of the Agricultural Marketing Service and placed it in the Agricultural Research Service. The Senate committee reversed that process so as to leave it as it has been in the past. The Senate approved that action, and the conference approved the action of the Senate in that regard.

Third, the proposed peanut laboratory has been a subject of some contention because of certain facts beyond the control of the Senate and the House at the present time. The House and the Senate have both receded, without prejudice, from the three amendments which cover that field, with the distinct understanding, as stated in the conference report—to which the leadership on both sides are committed—that the same item shall be taken up again in the first supplemental bill next year.

Fourth, for the first time the Senate is making progress on the question of utilization research, on which it has been working for some years, under items 7 and 27, which were in disagreement, and which are described in greater detail in my statement.

A real start is made on utilization research. For example, under amendment 7, a total of \$15 million will be provided, of which \$14,750,000 is for utilization research, and the construction and renovation of existing utilization research facilities. Under amendment No. 27, as reported back from the

conference, a total of \$16 million would be provided for research purposes, including \$11 million for facilities and \$5 million for production research.

I shall not go into the subject in detail unless I am questioned. The three Senators on the committee who have been most concerned in relation to the subject—the Senator from Georgia [Mr. RUSSELL], the Senator from North Dakota [Mr. YOUNG], and the Senator from South Dakota [Mr. MUNDT]—were pleased with the result on that question, and regard the action as a distinct step in the right direction toward the fulfillment of the utilization program covered by Senate Document 34, which is the report—and a very full report—of the Department of Agriculture in this field received by the Senate during this session.

I should like to make one comment on the REA. Senators will recall that the committee of the other body and the Senate committee made reports trying to tighten up the administration of the REA both on section 5 loans and on the generating and transmission loans.

There was some difference in wording. I note from the report of the managers on the part of the House that they have said they do not agree with some of the requirements which the Senate committee put into its report. Because the Senate committee very strongly believes in those recommendations and desires to reiterate them, I ask unanimous consent that the portion of the committee report relating to those recommendations be printed at this point in the RECORD. I intend to insert the committee report statement again to show that it is the understanding of the conference that we stand by that report, and we will expect the Administrator and the Secretary of Agriculture to carry out our recommendations in that report in its dealings with this body.

There being no objection, the excerpt from the report was ordered to be printed in the RECORD, as follows:

With regard to any further generation and major transmission loan approved in excess of \$2 million, the Administrator shall certify to the Secretary of Agriculture, the Comptroller General, and the Congress, that each of these steps has been taken and that the private supplier had been given an opportunity to make the contract reasonable, specifying the details, and had refused or failed to do so.

The Administrator also shall furnish the Comptroller General and the Congress on the date of approval of each such loan application, the following information:

(1) The name and address of the applicant borrower and the date of the application.

(2) Description and estimated cost of the proposed generation facilities. Indicate if the proposed facilities are the initial or additional unit or units of a plant comprised of one or more units.

(3) Description and estimated cost of proposed transmission facilities, including any immediate or future plans to interconnect with other transmission systems.

(4) Description of any long-range plans the applicant may have for construction of additional generation and transmission facilities and the estimated cost of the planned facilities.

(5) Comparison of the estimated costs of

generation by the applicant borrower with the cost of power available from existing suppliers, including the final offer by the private supplier including terms and conditions he offered to meet applicant's long-term energy needs.

(6) Summary of the efforts made by the applicant and by REA to obtain the applicant's power and energy requirements from existing power suppliers and the reasons why such efforts have not been successful.

(7) Explanation of the applicant's reasons for seeking an REA loan.

(8) The amount of electric energy which the applicant will cease to purchase from present power suppliers upon construction of the generating plant for which REA financing is being sought.

(9) Explanation of the extent to which the feasibility of the requested loan for generation and transmission facilities depends upon the use of a portion of the facilities by others (including Federal power marketing agencies).

(10) Details of the applicant's plans to sell or otherwise make available any of the power and energy from the proposed generation facilities to others (including Federal power marketing agencies).

(11) Names of State agencies and commissions having jurisdiction over the applicant borrowers.

With respect to each generation and transmission loan application, processed by REA in accordance with the foregoing procedures, the Administrator should, in order to avoid dilatory tactics or protracted delays on the part of either party in such negotiations, establish a publicly announced period of time during which the survey, determinations, and negotiations will be carried on prior to a definite cutoff date set by the Administrator.

The committee is opposed to the imposition of dual rates in power supply contracts and believes that the cooperatives should state their needs clearly and concretely, and that the suppliers of power should in turn clearly set forth the terms and conditions of power supply contracts.

The committee expects the Administrator to examine into all complaints which may come to his attention concerning territorial disputes between REA cooperatives and commercial power companies, except in States having adequate statutory provisions for determining territorial and service rights, and report to the committee in January of each year the salient facts involved, the disposition of the complaints, and the basis for such dispositions.

The committee instructs the Administrator of REA to report to both the Senate and House Appropriations Committees in writing 60 days in advance of approving allocations of funds for acquiring or building generating plants of over \$2 million and major transmission lines, and such other information as the committee may request.

SECTION V. LOANS

The committee concurs in the recommendations in the House committee report that the Administrator of REA should not make section V loans in competition with private sources of credit, or as a replacement or substitution for loan funds available under the Area Redevelopment Act, Public Law 87-27. Such loans should be very limited. The committee requests the Administrator of REA to provide it with a summary of pending section V loan applications as well as a copy of his certification to the Secretary on the necessity for making these loans.

Mr. HOLLAND. Mr. President, I move that the conference report be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. HOLLAND. Mr. President, I ask that the Chair lay before the Senate the five amendments which are in disagreement, which I have mentioned rather sketchily.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 6754, which was read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 9 to the bill (H.R. 6754) entitled "An Act making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, and for other purposes", and concur therein.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 7, and concur therein with an amendment, as follows:

In lieu of the matter inserted and stricken by said amendment insert: "Provided, That, in addition, not to exceed \$15,000,000 may be transferred from the Commodity Credit Corporation to this appropriation, in accordance with the Act of June 29, 1948 (5 U.S.C. 714b), for utilization research and development, cost of production research, and other related research designed to reduce surplus commodities held or to be held by the Commodity Credit Corporation, including \$10,000,000 for the planning, construction, alteration and equipping of research facilities, which amount shall remain available until expended."

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 11, and concur therein with an amendment, as follows:

"In lieu of the sum of \$2,500,000 named in said amendment, insert: \$1,250,000."

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 24, and concur therein with an amendment, as follows:

In lieu of the matter inserted and stricken, by said amendment, insert:

"MARKETING RESEARCH AND SERVICE

"For expenses necessary to carry on research and service to improve and develop marketing and distribution relating to agriculture as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627) and other laws, including the administration of marketing regulatory acts connected therewith; research and development, including related cost and efficiency evaluations, and services relating to agricultural marketing and distribution, for carrying out regulatory acts connected therewith, and for administration and coordination of payments to States; and this appropriation shall be available for field employment pursuant to section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$25,000 shall be available for employment at rates not to exceed \$75 per diem under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a) in carrying out section 201(a) to 201(d), inclusive, of title II of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1291) and section 203(j) of the Agricultural Marketing Act of 1946, \$42,498,975: *Provided*, That appropriations hereunder shall be available pursuant to 5 U.S.C. 565a for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of erecting any one building during the fiscal year shall not exceed \$20,000, except for one building to be constructed at a cost not to exceed \$45,000, and the cost of altering any one building during the fiscal year shall not exceed \$7,500 or 7.5 per centum of the cost of the building, whichever is greater."

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 27, and concur therein with an amendment, as follows:

In lieu of the matter inserted and stricken by said amendment insert: "and (5) not more than \$16,000,000 for transfer to the Commodity Credit Corporation to be used to increase domestic consumption of any farm commodity or farm commodities determined by the Secretary of Agriculture to be in surplus supply, and hereafter such sums (not in excess of \$25,000,000 in any one year) as may be approved by the Congress shall be available for such purpose, such authorization not to restrict authority in existing law, of which amount \$11,000,000 shall remain available until expended for construction and equipping of research facilities determined to be needed as a result of a special survey."

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 38, and concur therein with an amendment, as follows:

In lieu of the matter inserted by said amendment insert:

"Rural Housing Loans

"For additional rural housing loans as authorized by title V of the Housing Act of 1949, as amended, \$25,000,000, to remain available until expended."

Mr. RUSSELL. Mr. President, I desire to say a few words with respect to amendment No. 27, which I believe relates to the proposed peanut facility.

Mr. HOLLAND. No.

Mr. RUSSELL. Is that section 32?

Mr. HOLLAND. Yes, that is the section 32 amendment.

Mr. RUSSELL. Has the Senator proposed that the Senate recede on the marketing or so-called peanut amendment?

Mr. HOLLAND. The report showed that both the Senate and the House receded from all amendments on that subject without prejudice for future consideration.

Mr. RUSSELL. Mr. President, I feel that I should make a brief statement in view of the unusual hour at which the Senate is meeting.

First, I wish to congratulate the senior Senator from Florida [Mr. HOLLAND] upon the ability, patience, and tenacity with which he defended the position of the Senate on all of the items in the bill. The bill is very complex. It was my privilege, as chairman for some 26 years, to handle the bill, and 4 years as ranking Democratic member of the subcommittee. The bill deals with over 2,000 different activities scattered over the entire length and breadth of our land. Not all of them are directly related to farming and agriculture, but they are related to almost every aspect of American life. The Senator from Florida has mastered the bill to an unusual degree in the first year he has handled it.

With respect to the difference between the two bodies on the peanut laboratory, the Senate has twice approved the budget estimate for the laboratory which was to be located at Dawson, Ga., which is in the third congressional district of Georgia. The Representatives from that district, the Honorable E. L. (Tic) FORRESTER has, of course, been vitally concerned with that subject and has worked very earnestly on it. He was prepared to

defend the item on the floor when it went back in disagreement.

Early in the conference, the conferees agreed that the amendment would go back in disagreement for a special vote on the floor of the House. Mr. FORRESTER had consulted me the day before yesterday and asked me what the prospects were with respect to the conference. I said, "They are very bleak." We agreed not to have another meeting until after the Christmas holidays. So he checked in with the leadership of his own body, the able Representative from Oklahoma [Mr. ALBERT] and received the same judgment there. Due to the illness of his wife, he started to his home in Georgia. Today, the President being naturally very anxious to have these bills cleared before the Congress should adjourn, approached the conferees, and we got in touch with Representative FORRESTER. It was impossible for him to fly back to Washington to defend the amendment on the floor of the House today. In all frankness, had he done so, I doubt that he could have handled the bill because the debate would have postponed action on the conference report.

I believe Representative FORRESTER has made a very generous gesture in agreeing that these matters should be taken out of the bill, and that the issue should be determined in the first supplemental bill or in the Agriculture Department appropriation bill for 1965, whichever may come first. I am sure that all his constituents will understand that he has not surrendered any right which is his, that his interest has not waned in the slightest, and that on the proper occasion, when the question is before the House, he will be there defending this important facility with all his considerable strength and ability.

Mr. YOUNG of North Dakota. Mr. President, I shall make my remarks brief. I commend the Senator from Florida for the outstanding job he did in handling this difficult bill. This is one of the most complicated of all the appropriation bills. It was not easy for him to take over the chairmanship of this subcommittee as successor to our distinguished Senator from Georgia, Senator RUSSELL, who did a superb job for a quarter of a century. I believe that Senator HOLLAND exacted the maximum amount of economy.

The bill may seem large, but there are many items in it, such as \$495 million for REA and RTA loans, which have almost a 100 percent repayment record.

There is \$68 million for FHA loans, which have excellent repayment records.

There is \$237 million for the school lunch program and the milk program, which bears little relation to agriculture.

One of the few places where we were a bit liberal with funds was in the field of utilization research. This is an area in which the Senator from Georgia has really fought a tough battle to obtain the funds, which I believe eventually will result in a great saving. If we can find new uses for agricultural commodities we can save hundreds of millions of dollars for the Commodity Credit Corporation in storage and other costs.

Mr. MUNDT. Mr. President, I join the Senator from Georgia [Mr. RUSSELL] and the Senator from North Dakota [Mr. YOUNG], two members of the conference committee who have spoken in praise of the excellent work done by the distinguished Senator from Florida [Mr. HOLLAND], who for the first time was the chairman of this particular subcommittee.

Despite the fact that it was his first experience in engaging in the rather sustained discussions which we have with House conferees on a measure of this kind, I want the Senate to know that the Senator from Florida defended the Senate position both persistently and successfully. His persistence and persuasion paid off, as demonstrated by the fact that though it is somewhat late in the day—or early in the morning—and certainly late in the session, we have finally arrived at a working agreement.

Of the many decisions which were made, the one which to me gives the most hope for the ordinary taxpayer and farmer is the fact that we have finally made a real breakthrough in the bill for industrial utilization research. We have been nibbling away at this program in recent years.

In the Senate a substantial effort has been made to accomplish this purpose several times in different ways by passing various bills. This is the first time that we have obtained a concession from the House of a size which is significant enough to make a real dent in the problem.

Evidence has been made available from the laboratory at Peoria and from other laboratories dealing with this subject—interesting, intriguing, impressive, encouraging—in a report prepared by the Department of Agriculture, to show the various industrial uses now available. We require studies in marketing and studies in further fabrication. These show that we can put the acres of America back to work at a profit for the farmers by adding industrial utilization to the ordinary utilization for the comforts of human beings and for the feeding of livestock.

I believe this is a really encouraging advent for American agriculture. I con-

gratulate the distinguished Senator from Florida and all the other conferees. The House conferees are to be congratulated for finally seeing what we believe has been a clear light in the sky for a long time.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. CURTIS. I thank the Senator. At this hour I shall not speak on this subject. I wish to express my gratitude to the members of the Committee on Appropriations and the conference committee for what they have done in the field of industrial utilization.

I have nothing further to say. I believe an excellent piece of work has been done.

Mr. MUNDT. I thank the Senator. The Senator from Nebraska is a pioneer in this field.

Mr. RUSSELL. Mr. President, I do not believe this occasion should pass without my saying that the distinguished Senator from Nebraska [Mr. CURTIS] has been one of the voices crying in the wilderness to encourage this program, ever since he became a Member of this body.

Mr. MUNDT. Mr. President, that is an accurate statement.

Incidentally, I now sit in the seat formerly occupied by another pioneer, former Senator Capehart of Indiana. Along with many others, the former Senator from Indiana and the Senator from Nebraska have been urging this program, from the Senate side. The House now has taken the first big step. We hope the House will become as enthusiastic about this program as is the Senate.

This will mean that with a small actual expenditure we will realize a tremendous return for American agriculture.

Mr. HOLLAND. Mr. President, I thank my distinguished friends the Senator from Georgia [Mr. RUSSELL], the Senator from North Dakota [Mr. YOUNG], and the Senator from South Dakota [Mr. MUNDT], for the kind things they have said about me. No one has ever worked with more indefatigable, capable, generous associates in a labor of love such as this conference committee has undertaken.

The Senator from Louisiana [Mr. ELLENDER] was the other member of the conferees. He had to leave late this afternoon. He worked with equal dedication.

I am happy at the outcome, and happy that the House conferees likewise were exceedingly cooperative. I hope that we have embarked in several respects, under the terms of the bill, upon new programs which will pay off handsomely, particularly in respect to the disposition of commodities which are in heavy surplus.

Mr. President, I move that the Senate concur in the House amendments to the Senate amendments Nos. 7, 11, 24, 27, and 38.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Florida.

The motion was agreed to.

Mr. HOLLAND. Mr. President, I move to reconsider the vote by which the Senate concurred in the House amendments to the Senate amendments listed.

Mr. PASTORE. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. RUSSELL. Mr. President, I should like to make a brief observation.

Mr. HOLLAND. I am glad to yield to the Senator from Georgia.

Mr. RUSSELL. I believe I should say, in justice to the Representative from this district, who has put all he has had for the past 3 years into the laboratory to which I referred, that all the conferees on the part of the Senate were gracious enough to say that they would assist in inserting this item in the supplemental bill, so that he would not be deprived of an opportunity to make a fight on the floor of the House.

Mr. HOLLAND. Mr. President, I ask unanimous consent to have printed in the Record at this point a table showing the budget estimate, the House, Senate, and conference allowances on the various appropriation items in the bill.

There being no objection, the table was ordered to be printed in the Record, as follows:

Comparative statement of appropriations for 1963 and estimates for 1964, and amounts recommended in bill for 1964, and conference allowances

TITLE I—GENERAL ACTIVITIES

Agency or item	Total appropriations and loan authorizations, 1963	Budget estimates, 1964	House bill, 1964	Senate bill, 1964	Conference allowance, 1964
Agricultural Research Service:					
Salaries and expenses:					
Research.....	¹ \$83,182,550	¹ \$90,554,000	\$94,445,000	¹ \$91,811,700	¹ (\$91,496,700)
Plant and animal disease and pest control ²	59,504,980	65,148,000	59,505,000	67,071,500	64,449,000
Meat inspection.....	25,907,150	28,502,000	27,638,000	28,126,250	27,931,000
Total, salaries and expenses ³	178,594,680	184,204,000	181,588,000	187,009,450	183,876,700
Salaries and expenses (special foreign currency program).....	5,265,000	2,500,000	-----	2,500,000	1,260,000
Total, Agricultural Research Service.....	178,859,680	186,704,000	181,588,000	189,509,450	(185,126,700)
Cooperative State Experiment Station Service:					
Payments and expenses.....	38,262,950	40,383,000	40,383,000	42,883,000	41,633,000

Footnotes at end of table.

Comparative statement of appropriations for 1963 and estimates for 1964, and amounts recommended in bill for 1964, and conference allowances—Continued

TITLE I—GENERAL ACTIVITIES

Agency or Item	Total appropriations and loan authorizations, 1963	Budget estimates, 1964	House bill, 1964	Senate bill, 1964	Conference allowance, 1964
Extension Service:					
Cooperative extension work, payments, and expenses:					
Payments to States and Puerto Rico.....	\$63,180,800	\$64,590,000	\$64,590,000	\$70,000,000	\$67,295,000
Retirement and employee compensation fund costs for extension agents.....	6,765,000	7,110,000	7,110,000	7,435,000	7,272,500
Penalty mail.....	2,801,250	3,113,000	3,113,000	3,113,000	3,113,000
Federal Extension Service.....	2,597,450	2,515,000	2,500,000	2,500,000	2,500,000
Total, Extension Service.....	75,344,500	77,328,000	77,313,000	83,048,000	80,180,500
Farmer Cooperative Service.....	1,155,900	1,280,000	1,195,000	1,201,000	1,201,000
Soil Conservation Service:					
Conservation operations.....	93,975,500	99,453,000	97,480,000	99,000,000	98,339,000
Watershed protection ⁸	61,376,350	63,992,000	63,222,000	63,992,000	63,607,000
Flood prevention ⁸	25,325,850	25,576,000	25,465,000	25,465,000	25,465,000
Great Plains conservation program ⁸	12,353,550	14,640,000	12,994,000	14,640,000	13,622,000
Resources conservation and development.....		6,275,000	1,200,000	2,200,000	1,500,000
Total, Soil Conservation Service.....	193,031,250	209,936,000	200,361,000	205,297,000	202,533,000
Economic Research Service.....	9,511,150	10,301,000	9,832,000	9,965,700	9,912,000
Statistical Reporting Service.....	10,021,850	11,562,000	11,079,000	11,486,000	11,290,500
Agricultural Marketing Service:					
Marketing research and service.....	40,897,170	44,505,000	37,061,000	44,514,100	42,498,975
Construction of facilities.....		(⁹)			
Payments to States and possessions.....	1,425,000	1,425,000	1,425,000	1,500,000	1,500,000
Special milk program.....	100,000,000	102,000,000	100,000,000	100,000,000	100,000,000
School lunch program ⁹	125,000,000	137,000,000	137,000,000	137,000,000	137,000,000
Limitation on use of sec. 32 funds:					
Food stamp program.....	(51,500,000)	(51,500,000)	(40,000,000)	(51,500,000)	(45,000,000)
Transfer to Commodity Credit Corporation.....			(25,000,000)		
Total, Agricultural Marketing Service.....	267,322,170	284,930,000	275,486,000	283,014,100	280,998,975
Foreign Agricultural Service:					
Salaries and expenses ¹⁰	17,135,270	19,039,000	18,505,000	19,039,000	18,699,500
Salaries and expenses (special foreign currency program).....	3,994,000				
Total, Foreign Agricultural Service.....	21,129,270	19,039,000	18,505,000	19,039,000	18,699,500
Commodity Exchange Authority.....	1,060,950	1,095,000	1,093,000	1,095,000	1,095,000
Agricultural Stabilization and Conservation Service:					
Expenses, Agricultural Stabilization and Conservation Service ¹¹	95,423,000	114,944,000	105,737,000	107,091,400	106,549,500
Sugar Act program.....	77,650,000	80,000,000	78,000,000	78,000,000	78,000,000
Agricultural conservation program ¹²	212,900,000	220,000,000	215,000,000	215,000,000	215,000,000
Advance authorization.....	(250,000,000)	(150,000,000)	(250,000,000)	(250,000,000)	(250,000,000)
Conservation reserve program ¹³	304,000,000	294,000,000	294,000,000	294,000,000	294,000,000
Land-use adjustment program ¹³	2,000,000	19,000,000	10,000,000	12,150,000	11,350,000
Total, Agricultural Stabilization and Conservation Service.....	691,973,000	727,944,000	702,737,000	706,241,400	704,899,500
Office of Rural Areas Development.....	87,850	134,000	120,000	120,000	120,000
Office of the General Counsel.....	3,854,600	3,987,000	3,953,000	3,987,000	3,973,500
Office of Information.....	1,662,220	1,684,000	1,684,000	1,684,000	1,684,000
National Agricultural Library:					
Salaries and expenses.....	1,185,320	1,695,000	1,420,000	1,428,140	1,426,140
Library facilities.....		450,000	450,000	450,000	450,000
Total, National Agricultural Library.....	1,185,320	2,145,000	1,870,000	1,876,140	1,876,140
General administration ¹⁴.....	3,397,000	3,975,000	3,735,000	3,760,550	3,750,000
Total, title I, general activities.....	1,497,859,660	1,582,417,000	1,530,934,000	1,564,207,340	1,548,973,315

TITLE II—CREDIT AGENCIES

Rural Electrification Administration:					
Electrification loans:					
Direct authorization.....	(\$300,000,000)	(\$350,000,000)	(\$275,000,000)	(\$275,000,000)	(\$275,000,000)
Contingency authorization.....	¹⁵ (100,000,000)	(75,000,000)	(150,000,000)	(150,000,000)	(150,000,000)
Total.....	(400,000,000)	¹⁶ (425,000,000)	(425,000,000)	(425,000,000)	(425,000,000)
Telephone loans:					
Direct authorization.....	(80,000,000)	(70,000,000)	(70,000,000)	(70,000,000)	(70,000,000)
Total.....	(80,000,000)	(70,000,000)	(70,000,000)	(70,000,000)	(70,000,000)
Total, loan authorizations.....	(480,000,000)	(495,000,000)	(495,000,000)	(495,000,000)	(495,000,000)
Salaries and expenses.....	10,442,200	11,344,000	11,162,000	11,287,000	11,247,000
Total, Rural Electrification Administration.....	10,442,200	11,344,000	11,162,000	11,287,000	11,247,000

Footnotes at end of table.

Comparative statement of appropriations for 1963 and estimates for 1964, and amounts recommended in bill for 1964, and conference allowances—Continued

TITLE II—CREDIT AGENCIES

Agency or item	Total appropriations and loan authorizations, 1963	Budget estimates, 1964	House bill, 1964	Senate bill, 1964	Conference allowance, 1964
Farmers Home Administration:					
Direct loan account:					
Real estate loans	(\$50,000,000)	(\$60,000,000)	(\$60,000,000)	(\$60,000,000)	(\$60,000,000)
Operating loans ¹⁷	(290,000,000)	(300,000,000)	(300,000,000)	(300,000,000)	(300,000,000)
Total, direct loan account	(340,000,000)	(360,000,000)	(360,000,000)	(360,000,000)	(360,000,000)
Rural housing loans (authorization) ¹⁸				(25,000,000)	25,000,000
Rural renewal		2,350,000	1,000,000	1,350,000	1,200,000
Rural housing for the elderly revolving fund	1,000,000	5,000,000	2,000,000	3,500,000	3,500,000
Salaries and expenses ¹⁹	35,778,900	39,367,000	38,367,000	¹⁹ 39,367,000	¹⁹ 38,925,900
Total, Farmers Home Administration	36,778,900	46,717,000	41,367,000	44,217,000	68,625,900
Total, title II, credit agencies:					
Loan authorizations	(820,000,000)	(855,000,000)	(855,000,000)	(855,000,000)	(855,000,000)
Appropriations	47,221,100	58,061,000	52,529,000	55,504,000	79,872,900

TITLE III—CORPORATIONS

Federal Crop Insurance Corporation:					
Operating and administrative expenses	\$6,799,000	\$7,210,000	\$6,950,000	\$7,210,000	\$7,080,000
Federal Crop Insurance Corporation Fund (operating expenses payable from premium income)	(3,265,250)	(3,480,000)	(3,530,000)	(3,480,000)	(3,505,000)
Total, Federal Crop Insurance Corporation	6,799,000	7,210,000	6,950,000	7,210,000	7,080,000
Commodity Credit Corporation:					
Reimbursement for net realized losses	2,278,455,000	2,799,400,000	2,500,000,000	2,699,400,000	2,699,400,000
Reimbursement for special milk program	92,243,150				
Administrative expense limitation	(43,188,500)	(41,650,000)	(41,650,000)	(41,650,000)	(41,650,000)
Total, Commodity Credit Corporation	2,377,497,150	2,799,400,000	2,500,000,000	2,699,400,000	2,699,400,000
Total, title III, corporations	2,377,497,150	2,806,610,000	2,506,950,000	2,706,610,000	2,706,480,000

TITLE IV—FOREIGN ASSISTANCE PROGRAMS

Public Law 480:					
Sales for foreign currencies	\$1,588,804,000	\$1,452,000,000	\$1,452,000,000	\$1,252,000,000	\$1,452,000,000
Emergency famine relief	250,000,000	215,451,000	215,451,000	215,451,000	215,451,000
Long-term supply contracts	40,000,000	79,000,000	52,515,000	79,000,000	52,515,000
Total, Public Law 480	1,878,804,000	1,746,451,000	1,719,966,000	1,546,451,000	1,719,966,000
International Wheat Agreement	81,218,000	92,356,000	86,218,000	92,356,000	86,218,000
Bartered materials for supplemental stockpile	125,000,000	82,860,000	82,860,000	82,860,000	82,860,000
Total, title IV, foreign assistance programs	2,085,022,000	1,921,667,000	1,889,044,000	1,721,667,000	1,889,044,000

TITLE V—RELATED AGENCIES

Farm Credit Administration: Administrative expense limitation	(\$2,631,500)	(\$2,785,000)	(\$2,785,000)	(\$2,785,000)	(\$2,785,000)
Total, title V, related agencies	(2,631,500)	(2,785,000)	(2,785,000)	(2,785,000)	(2,785,000)

SUMMARY BY TITLES I-V

Appropriations:					
Title I, general activities	\$1,497,859,660	\$1,582,417,000	\$1,530,934,000	\$1,564,207,340	\$1,548,973,315
Title II, credit agencies	47,221,100	58,061,000	52,529,000	55,504,000	79,872,900
Title III, corporations	2,377,497,150	2,806,610,000	2,506,950,000	2,706,610,000	2,706,480,000
Title IV, foreign assistance programs	2,085,022,000	1,921,667,000	1,889,044,000	1,721,667,000	1,889,044,000
Title V, related agencies	(2,631,500)	(2,785,000)	(2,785,000)	(2,785,000)	(2,785,000)
Total appropriations in bill	6,007,599,910	6,368,755,000	5,979,457,000	6,047,988,340	6,224,370,215

¹ Excludes "Marketing research" and "Construction of facilities," Agricultural Marketing Service, which were merged by the House under "Salaries and expenses," Agricultural Research Service. The Department recommended appropriation of these items in the Agricultural Marketing Service.

² Includes contingency funds of \$1,500,000 for use to the extent necessary to meet emergency outbreaks of insects and plant diseases.

³ In addition, a reappropriation of \$1,000,000 of prior-year funds for work at field stations is authorized.

⁴ Reflects transfers between subappropriations for postal costs as follows: From "Payments to States and Puerto Rico," \$316,500; to "Penalty mail," \$311,250; and to "Federal Extension Service," \$5,250.

⁵ In addition, prior-year balances available.

⁶ Includes funds for "Marketing research" and "Construction of facilities," Agricultural Marketing Service, which were merged by the House under "Salaries and expenses," Agricultural Research Service.

⁷ Includes \$1,600,000 estimated under "Construction of facilities," merged by the House under "Salaries and expenses," Agricultural Research Service, and merged herein under this head.

⁸ Estimate considered under the item "Marketing research and service."

⁹ In addition, a transfer of \$45,000,000 from sec. 32 funds for purchase of agricultural commodities for distribution to schools is authorized. Also, the 1964 budget estimates provided, and the House and Senate bills deleted, language proposing the use of \$2,000,000 for special assistance to needy schools.

¹⁰ In addition, a transfer of \$3,117,000 from sec. 32 funds is authorized.

¹¹ In addition, the 1963 appropriation act provided that \$81,379,500 may be transferred from the Commodity Credit Corporation fund; the 1964 budget estimates propose, and the House and Senate bills allow, the transfer of \$94,885,000 from the Commodity Credit Corporation fund including not to exceed \$40,051,000 from the limitation on CCC administrative expenses.

¹² Advance authorization for the 1964 program is proposed in the budget estimates at \$150,000,000, compared with \$250,000,000 approved for the 1963 program. The House and Senate bills provide \$260,000,000 for the 1964 program authorization.

¹³ In addition, prior-year balances available.

¹⁴ In addition, the 1963 appropriation act provided that not to exceed \$225,000 may be transferred from other appropriations available to the Department.

¹⁵ 1963 contingency authorization available for both electrification and telephone loans, in 1964 contingency for electric loans only.

¹⁶ Legislation will be proposed for the establishment of a "Rural Electrification Administration loan account" which will reflect the net cost of loan programs in relation to receipts on loans previously made.

¹⁷ Includes \$50,000,000 contingency authorization, not estimated for 1964, but continued in the bill.

¹⁸ In addition, an estimated \$150,000,000 is available from prior authorizations, Senate bill provided increased borrowing authorization, conference bill provides direct appropriation.

¹⁹ In addition, a transfer of not to exceed \$500,000 of the funds available to the Farmers Home Administration for temporary field employment is authorized.

FOREIGN AID AND RELATED AGENCIES APPROPRIATIONS, 1964

Mr. MANSFIELD. Mr. President, if I may have the attention of the Senate, I should like at this time to yield briefly to the distinguished senior Senator from Rhode Island (Mr. PASTORE), who has an announcement to make as to the future plans with respect to the foreign aid conference.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. PASTORE. Mr. President, I surmise that Senators have already heard that the House, by a vote of 136 to 141, voted to recommit to conference the foreign aid bill. A new conference has been asked for, and the conferees are meeting at 10 o'clock. The House is in adjournment until 12 o'clock. I understand that the distinguished majority leader intends either to recess or adjourn until 12 o'clock noon. That is his decision to make.

I assure Members of the Senate that we will sit in conference and listen to what the House Members have to say.

Mr. MANSFIELD. Mr. President, I express the hope that Senators who have remained in the city of Washington will remain in the Chamber throughout the day, until a decision, if at all possible, is reached on this question. It is my intention to dispatch telegrams to Senators who are not too far distant and who are absent because of official business, illness, or other reasons, to return to the city.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. MORSE. I understand that if the foreign aid bill comes back before the Senate, the majority leader contemplates calling for a quorum.

Mr. MANSFIELD. I do not intend to call for a quorum, but I understand other Senators do.

Mr. MORSE. I shall, because this bill is fundamental to many things involving the welfare of this country. In this highly controversial matter—whereas the agriculture appropriation conference report was not such—the American people are entitled to have Members of the Senate present, and I shall ask for a live quorum.

Mr. MANSFIELD. I hope Senators will heed that statement.

Mr. RUSSELL. Mr. President, I wonder if it has been determined whether any Senator will request a yea-and-nay vote on the new conference report on the foreign aid bill in the event the conference reaches agreement.

Mr. MANSFIELD. I know of none.

Mr. MORSE. I did not hear the inquiry.

Mr. MANSFIELD. The Senator from Georgia raised the question whether any Senator had indicated he wished to ask for a yea-and-nay vote in the event the conference report was agreed to.

Mr. MORSE. I shall ask for one. I think Senators should stand up and be counted.

Mr. MANSFIELD. I hope Senators will heed that statement.

ORDER FOR ADJOURNMENT TO 12 O'CLOCK NOON TODAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate adjourns this morning, it adjourn to meet at 12 o'clock noon today.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDING OFFICER laid before the Senate the following letters, which were referred as indicated:

TEMPORARY SUSPENSION OF RESTRICTIONS ON MARKETING OF DOMESTICALLY PRODUCED SUGAR UNDER SUGAR ACT OF 1948

A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to suspend during the calendar year 1964, restrictions on marketing of domestically produced sugar under the Sugar Act of 1948, as amended with an accompanying paper; to the Committee on Finance.

REPORT ON UNNECESSARY COSTS INCURRED FOR TEMPORARY STORAGE OF HOUSEHOLD GOODS FOR MILITARY PERSONNEL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on unnecessary costs incurred for temporary storage of household goods for military personnel, Department of Defense, dated December 1963 (with an accompanying report); to the Committee on Government Operations.

PETITION

The PRESIDING OFFICER laid before the Senate a resolution adopted by the Gloucester City, N.J., Lions Club, favoring the establishment of the birthday of the late President John F. Kennedy as a national holiday, which was referred to the Committee on the Judiciary.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,
The following favorable reports of nominations were submitted:

By Mr. JOHNSTON, from the Committee on Post Office and Civil Service:
Three postmaster nominations.

ADDITIONAL BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BAYH:

S. 2412. A bill for the relief of Dr. Lutz Adolf Kiesow, his wife, Ursula Elfriede Kiesow, and their daughter, Marion Kiesow; to the Committee on the Judiciary.

By Mr. COOPER (for himself, Mr. KEATING, and Mr. JAVITS):

S. 2413. A bill for the relief of Nora Isabella Samuelli; and

S. 2414. A bill for the relief of Nora Isabella Samuelli; to the Committee on the Judiciary.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the House had disagreed to the amendment of the Senate to the joint resolution (H.J. Res. 875) making supplemental appropriations for the fiscal year ending June 30, 1964, for certain activities of the Department of Health, Education, and Welfare related to mental retardation, and for other purposes.

The message communicated to the Senate the intelligence of the death of Hon. WILLIAM J. GREEN, JR., late a Representative from the State of Pennsylvania, and transmitted the resolutions of the House thereon.

NATIONAL ENQUIRER RETRACTS FALSE DIRKSEN STORY

Mr. DIRKSEN. Mr. President, in its issue of October 13, 1963, the National Enquirer, a weekly publication in New York with a nationwide circulation, published a completely false and libelous story, which I set forth at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

J.F.K. SWAPS FAVORS WITH DIRKSEN

WASHINGTON, D.C.—The White House is now convinced that it pays off to help the nephew of a politically powerful Senator collect the debts owed to him by a foreign government.

President Kennedy personally interceded with Haiti's President Francois Duvalier to help a nephew of Senate Minority Leader EVERETT DIRKSEN, Republican, of Illinois, collect \$96,000 that the Haitian Government owned him, by threatening to cut off diplomatic relations.

In exchange, DIRKSEN came out at the strategic moment in favor of President Kennedy's test ban treaty—to the surprise of both Democrats and Republicans in the Senate. It was DIRKSEN's support for the treaty that broke the back of the opposition and left only Senator BARRY GOLDWATER, Republican, of Arizona, among the Republican leaders still opposing the treaty.

Until President Kennedy threw his full weight behind collecting the bill owned to DIRKSEN's nephew, President Duvalier had flatly refused to even recognize the claim. J.F.K.'s move brought quick action.

Mr. DIRKSEN. Mr. President, I have no time to pursue libelous statements or threaten suit for libelous attacks, and have always gone on the theory that if a statement about me is false, malicious, and damaging, and that can be established to the satisfaction of the publisher, such a publisher, if he is an honorable person, will make retraction and apologize.

I had this article brought to the attention of the publishers in New York, and they have agreed to publish a retraction.

That retraction is set forth as follows in the January 5, 1963, issue of the National Enquirer, and speaks for itself.



Public Law 88-250
88th Congress, H. R. 6754
December 30, 1963

An Act

77 STAT. 820.

Making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964; namely:

Department of
Agriculture and
Related Agencies
Appropriation
Act, 1964.

DEPARTMENT OF AGRICULTURE

TITLE I—GENERAL ACTIVITIES

AGRICULTURAL RESEARCH SERVICE

SALARIES AND EXPENSES

For expenses necessary to perform agricultural research relating to production, utilization, nutrition and consumer use, to control and eradicate pests and plant and animal diseases, and to perform related inspection, quarantine and regulatory work, and meat inspection: *Provided*, That appropriations hereunder shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$75,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further*, That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed two for replacement only: *Provided further*, That appropriations hereunder shall be available pursuant to title 5, United States Code, section 565a, for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of constructing any one building (except greenhouses connecting greenhouses) shall not exceed \$20,000, except for three buildings to be constructed or improved at a cost not to exceed \$45,000 each, and the cost of altering any one building during the fiscal year shall not exceed \$7,500 or 7.5 per centum of the cost of the building, whichever is greater: *Provided further*, That the limitations on alterations contained in this Act shall not apply to a total of \$100,000 for facilities at Beltsville, Maryland:

Research: For research and demonstrations on the production and utilization of agricultural products; home economics or nutrition and consumer use of agricultural and associated products; and related research and services; and for acquisition of land by donation, exchange, or purchase at a nominal cost not to exceed \$100, \$91,496,700: *Provided*, That, in addition, not to exceed \$15,000,000 may be transferred from the Commodity Credit Corporation to this appropriation, in accordance with the Act of June 29, 1948 (5 U.S.C. 714b), for utilization research and development, cost of production research, and other related research designed to reduce surplus commodities held or to be held by the Commodity Credit Corporation, including \$10,000,000 for the planning, construction, alteration and equipping of research facilities, which amount shall remain available until expended: *Provided further*, That hereafter the Administrator of the Agricultural Research Service may enter into agreements with and receive funds from any State, other political subdivision, organization, or individual for the purpose of conducting cooperative research projects with such cooperators: *Provided further*, That the limitations

62 Stat. 198.

contained herein shall not apply to replacement of buildings needed to carry out the Act of April 24, 1948 (21 U.S.C. 113(a)): *Provided further*, That the Secretary of Agriculture is authorized to acquire approximately two-tenths of an acre of land at Pasadena, California;

61 Stat. 7.
31 USC 665.

Plant and animal disease and pest control: For operations and measures, not otherwise provided for, to control and eradicate pests and plant and animal diseases and for carrying out assigned inspection, quarantine, and regulatory activities, as authorized by law, including expenses pursuant to the Act of February 28, 1947, as amended (21 U.S.C. 114b-c), \$64,449,000, of which \$1,500,000 shall be apportioned for use pursuant to section 8679 of the Revised Statutes, as amended, for the control of outbreaks of insects and plant diseases to the extent necessary to meet emergency conditions: *Provided*, That no funds shall be used to formulate or administer a brucellosis eradication program for the current fiscal year that does not require minimum matching by any State of at least 40 per centum: *Provided further*, That no funds shall be available for carrying out the screwworm eradication program that does not require minimum matching by State or local sources of at least 50 per centum of the expenses of production, irradiation, and release of the screwworm flies: *Provided further*, That, in addition, in emergencies which threaten the livestock or poultry industries of the country, the Secretary may transfer from other appropriations or funds available to the agencies or corporations of the Department such sums as he may deem necessary, to be available only in such emergencies for the arrest and eradication of foot-and-mouth disease, rinderpest, contagious pleuropneumonia, or other contagious or infectious diseases of animals, or European fowl pest and similar diseases in poultry, and for expenses in accordance with the Act of February 28, 1947, as amended, and any unexpended balances of funds transferred under this head in the next preceding fiscal year shall be merged with such transferred amounts;

Meat inspection: For carrying out the provisions of laws relating to Federal inspection of meat, and meat-food products, and the applicable provisions of the laws relating to process or renovated butter, \$27,931,000.

Special fund: To provide for additional labor to be employed under contracts and cooperative agreements to strengthen the work at research installations in the field, not more than \$1,000,000 of the amount appropriated under this head for the previous fiscal year may be used by the Administrator of the Agricultural Research Service in departmental research programs in the current fiscal year, the amount so used to be transferred to and merged with the appropriation otherwise available under "Salaries and expenses, Research".

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

68 Stat. 456.

For purchase of foreign currencies which accrue under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), for market development research authorized by section 104(a) and for agricultural and forestry research and other functions related thereto authorized by section 104(k) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704(a)(k)), to remain available until expended, \$1,250,000: *Provided*, That this appropriation shall be available, in addition to other appropriations for these purposes, for the purchase of the foregoing currencies: *Provided further*, That funds appropriated herein shall be used to purchase such foreign currencies as the Department determines are needed and can be used most effectively to carry out the purposes of this paragraph, and such foreign currencies shall,

72 Stat. 275.

pursuant to the provisions of section 104(a), be set aside for sale to the Department before foreign currencies which accrue under said title I are made available for other United States uses: *Provided further*, That not to exceed \$25,000 of this appropriation shall be available for purchase of foreign currencies for expenses of employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

68 Stat. 456;
73 Stat. 606.
7 USC 1704.

58 Stat. 742.
60 Stat. 810.

COOPERATIVE STATE EXPERIMENT STATION SERVICE

PAYMENTS AND EXPENSES

For payments to agricultural experiment stations, for grants for cooperative forestry research, and for other expenses, including \$39,363,000 to carry into effect the provisions of the Hatch Act, approved March 2, 1887, as amended by the Act approved August 11, 1955 (7 U.S.C. 361a-361i), including administration by the United States Department of Agriculture; \$500,000 for payments authorized under section 204(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623); \$1,000,000 for grants for cooperative forestry research under the Act approved October 10, 1962 (76 Stat. 806-807); \$310,000 for penalty mail costs of agricultural experiment stations under section 6 of the Hatch Act of 1887, as amended; and \$460,000 for necessary expenses of the Cooperative State Experiment Station Service, including administration of payments to State agricultural experiment stations, funds for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$25,000 for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); in all, \$41,633,000.

69 Stat. 671.

60 Stat. 1089.

16 USC 582a-

582a-7.

7 USC 361f.

EXTENSION SERVICE

COOPERATIVE EXTENSION WORK, PAYMENTS AND EXPENSES

Payments to States and Puerto Rico: For payments for cooperative agricultural extension work under the Smith-Lever Act, as amended by the Act of June 26, 1953 (7 U.S.C. 341-348), the Act of August 11, 1955 (7 U.S.C. 347a) and the Act of October 5, 1962 (76 Stat. 745), \$65,725,000; and payments and contracts for such work under section 204(b)-205 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623-1624), \$1,570,000; in all, \$67,295,000: *Provided*, That funds hereby appropriated pursuant to section 3(c) of the Act of June 26, 1953, shall not be paid to any State or Puerto Rico prior to availability of an equal sum from non-Federal sources for expenditure during the current fiscal year.

67 Stat. 83.

69 Stat. 683.

7 USC 349.

Retirement and Employees' Compensation costs for extension agents: For cost of employer's share of Federal retirement and for reimbursement for benefits paid from the Employees' Compensation Fund for cooperative extension employees, \$7,272,500.

Penalty mail: For costs of penalty mail for cooperative extension agents and State extension directors, \$3,113,000.

Federal Extension Service: For administration of the Smith-Lever Act, as amended by the Act of June 26, 1953 (7 U.S.C. 341-348), the Act of August 11, 1955 (7 U.S.C. 347a) and the Act of October 5, 1962 (76 Stat. 745), and extension aspects of the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627), and to coordinate and provide program leadership for the extension work of the Department and the several States and insular possessions, \$2,500,000.

60 Stat. 1087.

FARMER COOPERATIVE SERVICE

SALARIES AND EXPENSES

44 Stat. 802. For necessary expenses to carry out the Act of July 2, 1926 (7 U.S.C. 451-457), and for conducting research relating to the economic and marketing aspects of farmer cooperatives, as authorized by the
60 Stat. 1087. Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627), \$1,201,000.

SOIL CONSERVATION SERVICE

CONSERVATION OPERATIONS

49 Stat. 163. For necessary expenses for carrying out the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-590f), including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irrigation and land drainage and such special measures as may be necessary to prevent floods and the siltation of reservoirs); operation of conservation nurseries; classification and mapping of soils; dissemination of information; purchase and erection or alteration of permanent buildings; and operation and maintenance of aircraft, \$98,339,000: *Provided*, That the cost of any permanent building purchased, erected, or as improved, exclusive of the cost of constructing a water supply or sanitary system and connecting the same to any such building and with the exception of buildings acquired in conjunction with land being purchased for other purposes, shall not exceed \$2,500, except for one building to be constructed at a cost not to exceed \$25,000 and eight buildings to be constructed or improved at a cost not to exceed \$15,000 per building and except that alterations or improvements to other existing permanent buildings costing \$2,500 or more may be made in any fiscal year in an amount not to exceed \$500 per building: *Provided further*, That no part of this appropriation shall be available for the construction of any such building on land not owned by the Government: *Provided further*, That no part of this appropriation may be expended for soil and water conservation operations under the Act of April 27, 1935 (16 U.S.C. 590a-590f), in demonstration projects: *Provided further*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$5,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further*, That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the service.

58 Stat. 742.

60 Stat. 810.

WATERSHED PROTECTION

68 Stat. 666. For expenses necessary to conduct surveys, investigations, and research and to carry out preventive measures, including, but not limited to, engineering operations, methods of cultivation, the growing of vegetation, and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act, approved August 4, 1954, as amended (16 U.S.C. 1001-1008), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), to remain available until expended, \$63,607,000, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for watershed protection purposes: *Provided*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$100,000 shall be available for em-

ployment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further*, That not to exceed \$3,000,000, together with 60 Stat. 810. the unobligated balance of funds previously appropriated for loans and related expense, shall be available for such purposes.

FLOOD PREVENTION

For expenses necessary, in accordance with the Flood Control Act, approved June 22, 1936 (33 U.S.C. 701-709, 16 U.S.C. 1006a), as 49 Stat. 1570. amended and supplemented, and in accordance with the provisions 33 USC 701a- of laws relating to the activities of the Department, to perform works 701h. of improvement, including funds for field employment pursuant to 70 Stat. 1090. the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$100,000 for employment under section 58 Stat. 742. 15 of the Act of August 2, 1946 (5 U.S.C. 55a), to remain available 60 Stat. 810. until expended; \$25,465,000, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for flood prevention purposes: *Provided*, That no part of such funds shall be used for the purchase of lands in the Yazoo and Little Tallahatchie watersheds without specific approval of the county board of supervisors of the county in which such lands are situated: *Provided further*, That not to exceed \$1,000,000, together with the unobligated balance of funds previously appropriated for loans and related expense, shall be available for such purposes.

GREAT PLAINS CONSERVATION PROGRAM

For necessary expenses to carry into effect a program of conservation in the Great Plains area, pursuant to section 16(b) of the Soil Conservation and Domestic Allotment Act, as added by the Act of August 7, 1956 (16 U.S.C. 590p), \$13,622,000, to remain available until expended. 70 Stat. 1115.

RESOURCE CONSERVATION AND DEVELOPMENT

For necessary expenses in planning and carrying out projects for resource conservation and development, and for sound land use, pursuant to the provisions of section 32(e) of title III of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C. 1011; 76 Stat. 607), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), 49 Stat. 163. \$1,500,000, to remain available until expended: *Provided*, That not to exceed \$500,000 of such amount shall be available for loans and related expenses under subtitle A of the Consolidated Farmers Home Administration Act of 1961, as amended: *Provided further*, That this appropriation shall be available for field employment pursuant to the second 75 Stat. 307. sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), 7 USC 1922- and not to exceed \$50,000 shall be available for employment under 1929. section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

ECONOMIC RESEARCH SERVICE

SALARIES AND EXPENSES

For necessary expenses of the Economic Research Service in conducting economic research and service relating to agricultural production, marketing, and distribution, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627), and other laws, including economics of marketing; analyses relating to farm prices, income and population, and demand for farm products, use of resources in agriculture, adjustments, costs and returns in farming, and farm finance; and for analyses of supply and demand for farm products in 60 Stat. 1087.

foreign countries and their effect on prospects for United States exports, progress in economic development and its relation to sales of farm products, assembly and analysis of agricultural trade statistics and analysis of international financial and monetary programs and policies as they affect the competitive position of United States farm products; \$9,912,000: *Provided*, That not less than \$350,000 of the funds contained in this appropriation shall be available to continue to gather statistics and conduct a special study on the price spread between the farmer and consumer: *Provided further*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$75,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further*, That not less than \$145,000 of the funds contained in this appropriation shall be available for analysis of statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis.

58 Stat. 742.

60 Stat. 810.

STATISTICAL REPORTING SERVICE

SALARIES AND EXPENSES

For necessary expenses of the Statistical Reporting Service in conducting statistical reporting and service work, including crop and livestock estimates, statistical coordination and improvements, and marketing surveys, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627) and other laws, \$11,290,500: *Provided*, That no part of the funds herein appropriated shall be available for any expense incident to publishing estimates of apple production for other than the commercial crop.

60 Stat. 1087.

AGRICULTURAL MARKETING SERVICE

MARKETING RESEARCH AND SERVICE

For expenses necessary to carry on research and service to improve and develop marketing and distribution relating to agriculture as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627) and other laws, including the administration of marketing regulatory acts connected therewith; research and development, including related cost and efficiency evaluations, and services relating to agricultural marketing and distribution, for carrying out regulatory acts connected therewith, and for administration and coordination of payments to States; and this appropriation shall be available for field employment pursuant to section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$25,000 shall be available for employment at rates not to exceed \$75 per diem under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a) in carrying out section 201(a) to 201(d), inclusive, of title II of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1291) and section 203(j) of the Agricultural Marketing Act of 1946, \$42,498,975: *Provided*, That appropriations hereunder shall be available pursuant to 5 U.S.C. 565a for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of erecting any one building during the fiscal year shall not exceed \$20,000, except for one building to be constructed at a cost not to exceed \$45,000, and the cost of altering any one building during the fiscal year shall not exceed \$7,500 or 7.5 per centum of the cost of the building, whichever is greater.

52 Stat. 36.

7 USC 1622.

58 Stat. 742.

PAYMENTS TO STATES AND POSSESSIONS

For payments to departments of agriculture, bureaus and departments of markets, and similar agencies for marketing activities under section 204(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623(b)), \$1,500,000.

60 Stat. 1089.

SPECIAL MILK PROGRAM

For necessary expenses to carry out the Special Milk Program, as authorized by the Act of August 8, 1961 (7 U.S.C. 1446, note), \$100,000,000.

74 Stat. 84;
75 Stat. 319.

SCHOOL LUNCH PROGRAM

For necessary expenses to carry out the provisions of the National School Lunch Act (42 U.S.C. 1751-1760), \$137,000,000: *Provided*, That no part of this appropriation shall be used for nonfood assistance under section 5 of said Act: *Provided further*, That \$45,000,000 shall be transferred to this appropriation from funds available under section 32 of the Act of August 24, 1935, for purchase and distribution of agricultural commodities and other foods pursuant to section 6 of the National School Lunch Act.

60 Stat. 230.

REMOVAL OF SURPLUS AGRICULTURAL COMMODITIES (SECTION 32)

No funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) shall be used for any purpose other than commodity program expenses as authorized therein, and other related operating expenses, except for (1) transfers to the Department of the Interior as authorized by the Fish and Wildlife Act of August 8, 1956, (2) transfers otherwise provided in this Act, (3) not more than \$4,754,000 for formulation and administration of marketing agreements and orders pursuant to the Agricultural Marketing Agreement Act of 1937, as amended, and the Agricultural Act of 1961, (4) not more than \$45,000,000 for expenses for the Pilot Food Stamp Program, and (5) not more than \$16,000,000 for transfer to the Commodity Credit Corporation to be used to increase domestic consumption of any farm commodity or farm commodities determined by the Secretary of Agriculture to be in surplus supply, and hereafter such sums (not in excess of \$25,000,000 in any one year) as may be approved by the Congress shall be available for such purpose, such authorization not to restrict authority in existing law, of which amount \$11,000,000 shall remain available until expended for construction and equipping of research facilities determined to be needed as a result of a special survey.

49 Stat. 774.

70 Stat. 1119.
16 USC 742a
note.

50 Stat. 246.
7 USC 674.
75 Stat. 294.
7 USC 1911 note.

FOREIGN AGRICULTURAL SERVICE

SALARIES AND EXPENSES

For necessary expenses for the Foreign Agricultural Service, including carrying out title VI of the Agricultural Act of 1954 (7 U.S.C. 1761-1768), market development activities abroad, and for enabling the Secretary to coordinate and integrate activities of the Department in connection with foreign agricultural work, including not to exceed \$35,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), \$18,699,500: *Provided*, That not less than \$255,000 of the funds contained in this appropriation shall be available to obtain statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm

68 Stat. 908.

70 Stat. 1034.

commodities in world trade on a competitive basis: *Provided further*, That, in addition, not to exceed \$3,117,000 of the funds appropriated by section 32 of the Act of August 24, 1935, as amended (7 U.S.C. 612c), shall be merged with this appropriation and shall be available for all expenses of the Foreign Agricultural Service.

49 Stat. 774.

COMMODITY EXCHANGE AUTHORITY

SALARIES AND EXPENSES

For necessary expenses to carry into effect the provisions of the Commodity Exchange Act, as amended (7 U.S.C. 1-17a), \$1,095,000.

42 Stat. 998;

49 Stat. 1491.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

EXPENSES, AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

For necessary administrative expenses of the Agricultural Stabilization and Conservation Service, including expenses to formulate and carry out programs authorized by title III of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1301-1393); Sugar Act of 1948, as amended (7 U.S.C. 1101-1161); sections 7 to 15, 16(a), 16(d), 16(e), 16(f), and 17 of the Soil Conservation and Domestic Allotment Act, as amended (16 U.S.C. 590g-590(o), 590p(a), and 590q; 76 Stat. 606-607) as added by section 132 of the Act of August 8, 1961; subtitles B and C of the Soil Bank Act (7 U.S.C. 1831-1837, 1802-1814, and 1816); and laws pertaining to the Commodity Credit Corporation, \$106,549,500: *Provided*, That, in addition, not to exceed \$94,885,000 may be transferred to and merged with this appropriation from the Commodity Credit Corporation fund (including not to exceed \$40,051,000 under the limitation on Commodity Credit Corporation administrative expenses): *Provided further*, That other funds made available to Agricultural Stabilization and Conservation Service for authorized activities may be advanced to and merged with this appropriation: *Provided further*, That no part of the funds appropriated or made available under this Act shall be used, (1) to influence the vote in any referendum; (2) to influence agricultural legislation except as permitted in 18 U.S.C. 1913; or (3) for salaries or other expenses of members of county and community committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, for engaging in any activities other than advisory and supervisory duties and delegated program functions prescribed in administrative regulations.

70 Stat. 191,
196; 73 Stat.
552.

62 Stat. 792.

52 Stat. 31.
16 USC 590k.

SUGAR ACT PROGRAM

For necessary expenses to carry into effect the provisions of the Sugar Act of 1948 (7 U.S.C. 1101-1161), \$78,000,000, to remain available until June 30 of the next succeeding fiscal year.

61 Stat. 922;
70 Stat. 217.

AGRICULTURAL CONSERVATION PROGRAM

For necessary expenses to carry into effect the program authorized in sections 7 to 15, 16(a), and 17 of the Soil Conservation and Domestic Allotment Act, approved February 29, 1936, as amended (16 U.S.C. 590g-590(o), 590p(a), and 590q), including not to exceed \$6,000 for the preparation and display of exhibits, including such displays at State, interstate, and international fairs within the United States, \$215,000,000, to remain available until December 31

49 Stat. 1148.

of the next succeeding fiscal year for compliance with the programs of soil-building and soil- and water-conserving practices authorized under this head in the Department of Agriculture and Related Agencies Appropriation Acts, 1962 and 1963, carried out during the period July 1, 1961, to December 31, 1963, inclusive: *Provided*, That none of the funds herein appropriated shall be used to pay the salaries or expenses of any regional information employees or any State information employees, but this shall not preclude the answering of inquiries or supplying of information at the county level to individual farmers: *Provided further*, That no portion of the funds for the 1964 program may be utilized to provide financial or technical assistance for drainage on wetlands now designated as Wetland Types 3 (III), 4 (IV), and 5 (V) in United States Department of the Interior, Fish and Wildlife Service Circular 39, Wetlands of the United States, 1956: *Provided further*, That necessary amounts shall be available for administrative expenses in connection with the formulation and administration of the 1964 program of soil-building and soil- and water-conserving practices, including related wildlife conserving practices, under the Act of February 29, 1936, as amended (amounting to \$250,000,000, including administration, except that no participant shall receive more than \$2,500, except where the participants from two or more farms or ranches join to carry out approved practices designed to conserve or improve the agricultural resources of the community): *Provided further*, That not to exceed 5 per centum of the allocation for the current year's agricultural conservation program for any county may, on the recommendation of such county committee and approval of the State committee, be withheld and allotted to the Soil Conservation Service for services of its technicians in formulating and carrying out the agricultural conservation program in the participating counties, and shall not be utilized by the Soil Conservation Service for any purpose other than technical and other assistance in such counties, and in addition, on the recommendation of such county committee and approval of the State committee, not to exceed 1 per centum may be made available to any other Federal, State, or local public agency for the same purpose and under the same conditions: *Provided further*, That for the current year's program \$2,500,000 shall be available for technical assistance in formulating and carrying out agricultural conservation practices: *Provided further*, That such amounts shall be available for the purchase of seeds, fertilizers, lime, trees, or any other farming material, or any soil-terracing services, and making grants thereof to agricultural producers to aid them in carrying out farming practices approved by the Secretary under programs provided for herein: *Provided further*, That no part of any funds available to the Department, or any bureau, office, corporation, or other agency constituting a part of such Department, shall be used in the current fiscal year for the payment of salary or travel expenses of any person who has been convicted of violating the Act entitled "An Act to prevent pernicious political activities", approved August 2, 1939, as amended, or who has been found in accordance with the provisions of title 18, United States Code, section 1913, to have violated or attempted to violate such section which prohibits the use of Federal appropriations for the payment of personal services or other expenses designed to influence in any manner a Member of Congress to favor or oppose any legislation or appropriation by Congress except upon request of any Member or through the proper official channels.

75 Stat. 233.

76 Stat. 1210.

49 Stat. 1148.

16 USC 590g-

590q.

53 Stat. 1147;

54 Stat. 767.

5 USC 1181 etseq.

62 Stat. 792.

CONSERVATION RESERVE PROGRAM

70 Stat. 191,
196; 73 Stat.
552.

For necessary expenses to carry out a conservation reserve program as authorized by subtitles B and C of the Soil Bank Act (7 U.S.C. 1831-1837, 1802-1814, and 1816), and to carry out liquidation activities for the acreage reserve program, to remain available until expended, \$294,000,000, with which may be merged the unexpended balances of funds heretofore appropriated for soil bank programs: *Provided*, That no part of these funds shall be paid on any contract which is illegal under the law due to the division of lands for the purpose of evading limits on annual payments to participants.

LAND-USE ADJUSTMENT PROGRAM

For necessary expenses to promote the conservation and economic use of land pursuant to the provisions of section 16(e) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h, 590p), as amended by the Act of September 27, 1962 (76 Stat. 606), \$11,350,000, to remain available until expended.

OFFICE OF RURAL AREAS DEVELOPMENT

SALARIES AND EXPENSES

58 Stat. 742.
60 Stat. 810.

For necessary expenses, not otherwise provided for, of the Office of Rural Areas Development in providing leadership, coordination, liaison, and related services in the rural areas development activities of the Department, \$120,000: *Provided*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$3,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

OFFICE OF THE GENERAL COUNSEL

SALARIES AND EXPENSES

For necessary expenses, including payment of fees or dues for the use of law libraries by attorneys in the field service, \$3,973,500.

OFFICE OF INFORMATION

SALARIES AND EXPENSES

34 Stat. 690.
28 Stat. 612.

For necessary expenses of the Office of Information for the dissemination of agricultural information and the coordination of informational work and programs authorized by Congress in the Department, \$1,684,000, of which total appropriation not to exceed \$537,000 may be used for farmers' bulletins, which shall be adapted to the interests of the people of the different sections of the country, an equal proportion of four-fifths of which shall be delivered to or sent out under the addressed franks furnished by the Senators, Representatives, and Delegates in Congress, as they shall direct (7 U.S.C. 417), and not less than two hundred and thirty-two thousand two hundred and fifty copies for the use of the Senate and House of Representatives of part 2 of the annual report of the Secretary (known as the Yearbook of Agriculture) as authorized by section 73 of the Act of January 12, 1895 (44 U.S.C. 241): *Provided*, That in the preparation of motion pictures or exhibits by the Department, this

appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$10,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a). 58 Stat. 742.
60 Stat. 810.

NATIONAL AGRICULTURAL LIBRARY

SALARIES AND EXPENSES

For necessary expenses of the National Agricultural Library, \$1,426,140.

LIBRARY FACILITIES

For the preparation of plans, specifications, and drawings for the National Agricultural Library, \$450,000, to remain available until expended.

GENERAL ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses of the Office of the Secretary of Agriculture and for general administration of the Department of Agriculture, including expenses of the National Agricultural Advisory Commission; repairs and alterations; and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department of Agriculture, \$3,750,000: *Provided*, That this appropriation shall be reimbursed from applicable appropriations for travel expenses incident to the holding of hearings as required by the Administrative Procedures Act (5 U.S.C. 1001): *Provided further*, That not to exceed \$2,500 of this amount shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary. 60 Stat. 237.

TITLE II—CREDIT AGENCIES

RURAL ELECTRIFICATION ADMINISTRATION

To carry into effect the provisions of the Rural Electrification Act of 1936, as amended (7 U.S.C. 901-924), as follows:

49 Stat. 1363;
63 Stat. 948.

LOAN AUTHORIZATIONS

For loans in accordance with said Act, and for carrying out the provisions of section 7 thereof, to be borrowed from the Secretary of the Treasury in accordance with the provisions of section 3(a) of said Act, as follows: Rural electrification program, \$425,000,000, of which \$150,000,000 shall be placed in reserve to be borrowed under the same terms and conditions to the extent that such amount is required during the current fiscal year under the then existing conditions for the expeditious and orderly development of the rural electrification program; and rural telephone program, \$70,000,000. 7 USC 907.
7 USC 903.

SALARIES AND EXPENSES

For administrative expenses, including not to exceed \$500 for financial and credit reports, funds for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$150,000 for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), \$11,247,000.

FARMERS HOME ADMINISTRATION

DIRECT LOAN ACCOUNT

75 Stat. 315.
7 USC 1985.

Direct loans and advances under subtitles A and B, and advances under section 335(a) for which funds are not otherwise available, of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1921), as amended, may be made from funds available in the Farmers Home Administration direct loan account as follows: real estate loans, \$60,000,000; and operating loans, \$300,000,000, of which \$50,000,000 shall be placed in reserve to be used only to the extent required during current fiscal year under the then existing conditions for the expeditious and orderly conduct of the loan program.

RURAL HOUSING LOANS

42 USC 1471-
1485.

For additional rural housing loans as authorized by Title V of the Housing Act of 1949, as amended, \$25,000,000, to remain available until expended.

RURAL RENEWAL

76 Stat. 607.
7 USC 1011.

For necessary expenses, including administrative expenses, in carrying out rural renewal activities under section 32(e) of title III of the Bankhead-Jones Farm Tenant Act, as amended, \$1,200,000.

RURAL HOUSING FOR THE ELDERLY REVOLVING FUND

42 USC 1485.

For loans pursuant to section 515(a) of the Housing Act of 1949, as amended (42 U.S.C. 1484; 76 Stat. 671), including advances pursuant to section 335(a) of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1985) in connection with security for such loans, \$3,500,000.

SALARIES AND EXPENSES

64 Stat. 98.

75 Stat. 309.
7 USC 1929.
75 Stat. 186.
42 USC 1484.

58 Stat. 742.

For necessary expenses of the Farmers Home Administration, not otherwise provided for, in administering the programs authorized by the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1921), as amended, title V of the Housing Act of 1949, as amended (42 U.S.C. 1471-1484), and the Rural Rehabilitation Corporation Trust Liquidation Act, approved May 3, 1950 (40 U.S.C. 440-444); \$38,925,900, together with not more than \$1,050,000 of the charges collected in connection with the insurance of loans as authorized by section 309(e) of the Consolidated Farmers Home Administration Act of 1961, as amended, and section 514(b)(3) of the Housing Act of 1949, as amended: *Provided*, That, in addition, not to exceed \$500,000 of the funds available for the various programs administered by this Agency may be transferred to this appropriation for temporary field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574) to meet unusual or heavy workload increases.

TITLE III—CORPORATIONS

61 Stat. 584.
31 USC 849.

The following corporations and agencies are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary

in carrying out the programs set forth in the budget for the current fiscal year for such corporation or agency, except as hereinafter provided:

FEDERAL CROP INSURANCE CORPORATION

ADMINISTRATIVE AND OPERATING EXPENSES

For administrative and operating expenses, \$7,080,000.

FEDERAL CROP INSURANCE CORPORATION FUND

Not to exceed \$3,505,000 of administrative and operating expenses may be paid from premium income.

COMMODITY CREDIT CORPORATION

REIMBURSEMENT FOR NET REALIZED LOSSES

To reimburse the Commodity Credit Corporation for net realized losses sustained during the fiscal year ending June 30, 1962, pursuant to the Act of August 17, 1961 (15 U.S.C. 713a-11, 713a-12), 75 Stat. 391. \$2,699,400,000.

LIMITATION ON ADMINISTRATIVE EXPENSES

Nothing in this Act shall be so construed as to prevent the Commodity Credit Corporation from carrying out any activity or any program authorized by law: *Provided*, That not to exceed \$41,650,000 shall be available for administrative expenses of the Corporation: *Provided further*, That \$1,000,000 of this authorization shall be available only to expand and strengthen the sales program of the Corporation pursuant to authority contained in the Corporation's charter: *Provided further*, That not less than 7 per centum of this authorization shall be placed in reserve to be apportioned pursuant to section 3679 of the Revised Statutes, as amended, for use only in such amounts and at such times as may become necessary to carry out program operations: *Provided further*, That all necessary expenses (including legal and special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Corporation or in which it has an interest, including expenses of collections of pledged collateral, shall be considered as nonadministrative expenses for the purposes thereof. 31 USC 665.

TITLE IV—FOREIGN ASSISTANCE PROGRAMS

PUBLIC LAW 480

For expenses during fiscal year 1964, not otherwise recoverable, and unrecovered prior years' costs, including interest thereon, under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1701-1709, 1721-1724, 1731-1736), to remain available until expended, as follows: (1) Sale of surplus agricultural commodities for foreign currencies pursuant to title I of said Act, \$1,452,000,000; (2) commodities disposed of for emergency famine relief to friendly peoples pursuant to title II of said Act, \$215,451,000; and (3) long-term supply contracts pursuant to title IV of said Act, \$52,515,000. 68 Stat. 455, 457; 73 Stat. 610.

INTERNATIONAL WHEAT AGREEMENT

63 Stat. 945. For expenses during fiscal year 1964 and unrecovered prior years' costs, including interest thereon, under the International Wheat Agreement Act of 1949, as amended (7 U.S.C. 1641-1642), \$86,218,000, to remain available until expended.

BARTERED MATERIALS FOR SUPPLEMENTAL STOCKPILE

70 Stat. 200. For expenses during fiscal year 1964 and unrecovered prior years' costs related to strategic and other materials acquired as a result of barter or exchange of agricultural commodities or products and transferred to the supplemental stockpile pursuant to Public Law 540, Eighty-fourth Congress (7 U.S.C. 1856), \$82,860,000, to remain available until expended.

TITLE V—RELATED AGENCIES

FARM CREDIT ADMINISTRATION

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed \$2,785,000 (from assessments collected from farm credit agencies) shall be obligated during the current fiscal year for administrative expenses.

TITLE VI—GENERAL PROVISIONS

Passenger motor vehicles. SEC. 601. Within the unit limit of cost fixed by law, appropriations and authorizations made for the Department under this Act shall be available for the purchase, in addition to those specifically provided for, of not to exceed five hundred and fifteen passenger motor vehicles, of which four hundred and ninety-eight shall be for replacement only, and for the hire of such vehicles.

Employment of aliens. SEC. 602. Provisions of law prohibiting or restricting the employment of aliens shall not apply to employment under the appropriation for the Foreign Agricultural Service.

Uniform allowances. SEC. 603. Funds available to the Department of Agriculture shall be available for uniforms or allowances therefor as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131).

68 Stat. 1114. Restriction. SEC. 604. No part of the funds appropriated by this Act shall be used for the payment of any officer or employee of the Department who, as such officer or employee, or on behalf of the Department or any division, commission, or bureau thereof, issues, or causes to be issued, any prediction, oral or written, or forecast, except as to damage threatened or caused by insects and pests, with respect to future prices of cotton or the trend of same.

Twine. SEC. 605. Except to provide materials required in or incident to research or experimental work where no suitable domestic product is available, no part of the funds appropriated by this Act shall be expended in the purchase of twine manufactured from commodities or materials produced outside of the United States.

Contracting. SEC. 606. Not less than \$1,500,000 of the appropriations of the Department for research and service work authorized by the Acts of August 14, 1946, July 28, 1954, and September 6, 1958 (7 U.S.C. 427, 1621-1629; 42 U.S.C. 1891-1893), shall be available for contracting in accordance with said Acts.

60 Stat. 1082, 1087; 72 Stat. 1793. SEC. 607. No part of the funds appropriated by this Act shall be used to conduct or assist in conducting any program (including but

not limited to the payment of salaries, administrative expenses, and the conduct of research activities) related directly or indirectly to the establishment of a national service corps or similar domestic peace corps type of program.

This Act may be cited as the "Department of Agriculture and Re- Short title.
lated Agencies Appropriation Act, 1964".

Approved December 30, 1963.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 355 (Comm. on Appropriations), No. 1088
(Comm. of Conference).

SENATE REPORT No. 497 (Comm. on Appropriations).

CONGRESSIONAL RECORD, Vol. 109 (1963):

June 6: Considered and passed House.

Sept. 25, 26: Considered in Senate.

Sept. 30: Considered and passed Senate, amended.

Dec. 21: House and Senate agreed to conference report.

Calendar No. 476

88TH CONGRESS
1ST SESSION

H. R. 6754

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 13, 1963

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. HOLLAND to H.R. 6754, an Act making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, and for other purposes, viz: On page 31, line 13, insert the following:

1 RURAL HOUSING LOANS

2 For rural housing loans, \$25,000,000, to be made avail-
3 able in addition to and in the same manner and under the
4 terms and conditions applicable to funds provided under
5 section 511 of the Housing Act of 1949, as amended.

Amdt. No. 194

Amdt. No. 194

Calendar No. 476

**88TH CONGRESS
1ST SESSION**

H. R. 6754

AMENDMENT

Intended to be proposed by Mr. HOWLAND to
H.R. 6754, an Act making appropriations
for the Department of Agriculture and re-
lated agencies for the fiscal year ending June
30, 1964, and for other purposes.

SEPTEMBER 13, 1963

Ordered to lie on the table and to be printed

Calendar No. 476

88TH CONGRESS
1ST SESSION

H. R. 6754

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 18, 1963

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. LAUSCHE to the bill (H.R. 6754) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, and for other purposes, viz: On page 38, between lines 5 and 6, insert a new section as follows:

1 SEC. 608. (a) The second sentence of section 4 of the
2 Rural Electrification Act of 1936, as amended (7 U.S.C.
3 904), is amended by striking out "and shall bear interest at
4 the rate of 2 per centum per annum; interest rates on the
5 unmatured and unpaid balance of any loans made pursuant
6 to this section prior to the effective date of this amendment
7 shall be adjusted to 2 per centum per annum, and the ma-
8 turity date of any such loans may be readjusted to occur
9 at a date not beyond thirty-five years from the date of such

1 loan:", and inserting in lieu thereof the following: "and shall
2 bear interest at a rate equal to the average rate of interest
3 payable by the United States of America on its marketable
4 obligations, having maturities of ten or more years, issued
5 during the last preceding fiscal year in which any such ob-
6 ligations were issued and adjusted to the nearest one-eighth
7 of 1 per centum:".

8 (b) The third sentence of section 5 of the Rural Elec-
9 trification Act of 1936, as amended (7 U.S.C. 905), is
10 amended by striking out "and shall be at a rate of interest
11 of 2 per centum per annum; interest rates on the unmatured
12 and unpaid balance of any loans made pursuant to this section
13 prior to the effective date of this amendment shall be adjusted
14 to 2 per centum per annum", and inserting in lieu thereof
15 "and shall bear interest at a rate equal to the average rate
16 of interest payable by the United States of America on its
17 marketable obligations, having maturities of ten or more
18 years, issued during the last preceding fiscal year in which
19 any such obligations were issued and adjusted to the nearest
20 one-eighth of 1 per centum".

21 (c) The amendments made by this section shall be
22 effective with respect to all loans made on and after the
23 date of enactment of this Act.

AMENDMENT

Intended to be proposed by Mr. LAUSCHE to the bill (H.R. 6754) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, and for other purposes.

SEPTEMBER 18, 1963

Ordered to lie on the table and to be printed

Calendar No. 476

88TH CONGRESS
1ST SESSION

H. R. 6754

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 16, 1963

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. LAUSCHIE to the bill (H.R. 6754) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, and for other purposes, viz: On page 38, between lines 5 and 6, insert a new section as follows:

1 SEC. 608. (a) The second sentence of section 4 of the
2 Rural Electrification Act of 1936, as amended (7 U.S.C.
3 904), is amended by striking out "2 per centum per an-
4 num", and inserting in lieu thereof "3 per centum per an-
5 num".

6 (b) The third sentence of section 5 of the Rural Electri-
7 fication Act of 1936, as amended (7 U.S.C. 905), is
8 amended by striking out "2 per centum per annum" and in-
9 serting in lieu thereof "3 per centum per annum".

Amdt. No. 196

- 1 (c) The amendments made by this section shall be effective with respect to loans made on and after the date of enactment of this Act.

Amdt. No. 196

Calendar No. 476

**88TH CONGRESS
1ST SESSION**

H. R. 6754

AMENDMENT

Intended to be proposed by Mr. Lausche to the bill (H.R. 6754) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, and for other purposes.

SEPTEMBER 16, 1963

Ordered to lie on the table and to be printed

Calendar No. 476

88TH CONGRESS
1ST SESSION

H. R. 6754

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 20, 1963

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. MUNDT (for himself, Mr. ALLOTT, Mr. BOGGS, Mr. CARLSON, Mr. CURTIS, Mr. DOMINICK, Mr. HICKENLOOPER, Mr. HRUSKA, Mr. JORDAN of Idaho, Mr. MILLER, Mr. SIMPSON, and Mr. YOUNG of North Dakota) to the bill (H.R. 6754) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, and for other purposes, viz: On page 38, between lines 5 and 6, insert a new section as follows:

- 1 SEC. 608. Notwithstanding any other provision of law,
- 2 the Secretary of Agriculture is authorized to extend until
- 3 December 31, 1965, any conservation reserve contract
- 4 (authorized under subtitle B of the Soil Bank Act) which
- 5 is scheduled to expire either on December 31, 1963, or
- 6 December 31, 1964, if the producer concerned makes appli-

- 1 cation for such extension in accordance with such regulations
 2 as the Secretary may prescribe.

Amdt. No. 197

Calendar No. 476

88TH CONGRESS
1ST SESSION**H. R. 6754****AMENDMENT**

Intended to be proposed by Mr. MUNDT (for himself, Mr. ALLOT, Mr. Boegs, Mr. CARLSON, Mr. CURTIS, Mr. DOMINICK, Mr. HICKENLOOPER, Mr. HRUSKA, Mr. JORDAN of Idaho, Mr. MULLER, Mr. SIMPSON, and Mr. YOUNG of North Dakota) to the bill (H.R. 6754) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, and for other purposes.

SEPTEMBER 20, 1963

Ordered to lie on the table and to be printed

Calendar No. 476

88TH CONGRESS
1ST SESSION

H. R. 6754

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 24, 1963

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. RIBICOFF to the bill (H.R. 6754) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, and for other purposes, viz:

- 1 On page 5, line 2, strike out "\$66,821,500" and insert
- 2 in lieu thereof "\$67,821,500".

Amdt. No. 201

Amdt. No. 201

Calendar No. 476

**88TH CONGRESS
1ST SESSION**

H. R. 6754

AMENDMENT

Intended to be proposed by Mr. RUBICOFF to the bill (H.R. 6754) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, and for other purposes.

SEPTEMBER 24, 1963

Ordered to lie on the table and to be printed

H. R. 6754

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 24, 1963

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. JAVITS to the bill (H.R. 6754) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, and for other purposes, viz:

- 1 On page 33, line 2, delete the period and insert a semi-
- 2 colon and the following: "*Provided further*, That no part of
- 3 the funds appropriated under this title for the Farmers Home
- 4 Administration shall be used in any State in which the par-
- 5 ticipants in, or beneficiaries of, the programs of the Farmers
- 6 Home Administration are segregated, or otherwise discrimi-
- 7 nated against, on account of race, creed, or color."

Amdt. No. 202

H. R. 6754

88TH CONGRESS
1ST SESSION

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 24, 1963

Ordered to lie on the table and to be printed

Amdt. No. 202

88TH CONGRESS
1ST SESSION

H. R. 6754

AMENDMENT

Intended to be proposed by Mr. JAVITS to the bill (H.R. 6754) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1964, and for other purposes.

SEPTEMBER 24, 1963

Ordered to lie on the table and to be printed

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